



103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

HB4688

Introduced 2/6/2024, by Rep. Tim Ozinga

SYNOPSIS AS INTRODUCED:

35 ILCS 105/3-5	
35 ILCS 105/3-10	
35 ILCS 105/3a	from Ch. 120, par. 439.3a
35 ILCS 110/3-5	
35 ILCS 110/3-10	from Ch. 120, par. 439.33-10
35 ILCS 115/3-5	
35 ILCS 115/3-10	from Ch. 120, par. 439.103-10
35 ILCS 120/2-5	
35 ILCS 120/2-10	
35 ILCS 120/2d	from Ch. 120, par. 441d

Amends the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, and the Retailers' Occupation Tax Act. Provides that food for human consumption that is to be consumed off the premises where it is sold is exempt from the taxes imposed under those Acts. Provides that, beginning 30 days after the effective date of the amendatory Act, the cents per gallon rate established by the Department of Revenue for the prepayment of tax by motor fuel retailers may not exceed \$0.18 per gallon for motor fuel and 80% of that amount for gasohol and biodiesel blends. Provides that the rate of tax imposed under the Acts for motor fuel, gasohol, majority blended ethanol fuel, and biodiesel and biodiesel blends may not exceed that prepayment amount set by the Department of Revenue. Effective immediately.

LRB103 36580 HLH 66689 b

1 AN ACT concerning revenue.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 10. The Use Tax Act is amended by changing
5 Sections 3-5, 3-10, and 3a as follows:

6 (35 ILCS 105/3-5)

7 Sec. 3-5. Exemptions. Use of the following tangible
8 personal property is exempt from the tax imposed by this Act:

9 (1) Personal property purchased from a corporation,
10 society, association, foundation, institution, or
11 organization, other than a limited liability company, that is
12 organized and operated as a not-for-profit service enterprise
13 for the benefit of persons 65 years of age or older if the
14 personal property was not purchased by the enterprise for the
15 purpose of resale by the enterprise.

16 (2) Personal property purchased by a not-for-profit
17 Illinois county fair association for use in conducting,
18 operating, or promoting the county fair.

19 (3) Personal property purchased by a not-for-profit arts
20 or cultural organization that establishes, by proof required
21 by the Department by rule, that it has received an exemption
22 under Section 501(c)(3) of the Internal Revenue Code and that
23 is organized and operated primarily for the presentation or

1 support of arts or cultural programming, activities, or
2 services. These organizations include, but are not limited to,
3 music and dramatic arts organizations such as symphony
4 orchestras and theatrical groups, arts and cultural service
5 organizations, local arts councils, visual arts organizations,
6 and media arts organizations. On and after July 1, 2001 (the
7 effective date of Public Act 92-35), however, an entity
8 otherwise eligible for this exemption shall not make tax-free
9 purchases unless it has an active identification number issued
10 by the Department.

11 (4) Except as otherwise provided in this Act, personal
12 property purchased by a governmental body, by a corporation,
13 society, association, foundation, or institution organized and
14 operated exclusively for charitable, religious, or educational
15 purposes, or by a not-for-profit corporation, society,
16 association, foundation, institution, or organization that has
17 no compensated officers or employees and that is organized and
18 operated primarily for the recreation of persons 55 years of
19 age or older. A limited liability company may qualify for the
20 exemption under this paragraph only if the limited liability
21 company is organized and operated exclusively for educational
22 purposes. On and after July 1, 1987, however, no entity
23 otherwise eligible for this exemption shall make tax-free
24 purchases unless it has an active exemption identification
25 number issued by the Department.

26 (5) Until July 1, 2003, a passenger car that is a

1 replacement vehicle to the extent that the purchase price of
2 the car is subject to the Replacement Vehicle Tax.

3 (6) Until July 1, 2003 and beginning again on September 1,
4 2004 through August 30, 2014, graphic arts machinery and
5 equipment, including repair and replacement parts, both new
6 and used, and including that manufactured on special order,
7 certified by the purchaser to be used primarily for graphic
8 arts production, and including machinery and equipment
9 purchased for lease. Equipment includes chemicals or chemicals
10 acting as catalysts but only if the chemicals or chemicals
11 acting as catalysts effect a direct and immediate change upon
12 a graphic arts product. Beginning on July 1, 2017, graphic
13 arts machinery and equipment is included in the manufacturing
14 and assembling machinery and equipment exemption under
15 paragraph (18).

16 (7) Farm chemicals.

17 (8) Legal tender, currency, medallions, or gold or silver
18 coinage issued by the State of Illinois, the government of the
19 United States of America, or the government of any foreign
20 country, and bullion.

21 (9) Personal property purchased from a teacher-sponsored
22 student organization affiliated with an elementary or
23 secondary school located in Illinois.

24 (10) A motor vehicle that is used for automobile renting,
25 as defined in the Automobile Renting Occupation and Use Tax
26 Act.

1 (11) Farm machinery and equipment, both new and used,
2 including that manufactured on special order, certified by the
3 purchaser to be used primarily for production agriculture or
4 State or federal agricultural programs, including individual
5 replacement parts for the machinery and equipment, including
6 machinery and equipment purchased for lease, and including
7 implements of husbandry defined in Section 1-130 of the
8 Illinois Vehicle Code, farm machinery and agricultural
9 chemical and fertilizer spreaders, and nurse wagons required
10 to be registered under Section 3-809 of the Illinois Vehicle
11 Code, but excluding other motor vehicles required to be
12 registered under the Illinois Vehicle Code. Horticultural
13 polyhouses or hoop houses used for propagating, growing, or
14 overwintering plants shall be considered farm machinery and
15 equipment under this item (11). Agricultural chemical tender
16 tanks and dry boxes shall include units sold separately from a
17 motor vehicle required to be licensed and units sold mounted
18 on a motor vehicle required to be licensed if the selling price
19 of the tender is separately stated.

20 Farm machinery and equipment shall include precision
21 farming equipment that is installed or purchased to be
22 installed on farm machinery and equipment, including, but not
23 limited to, tractors, harvesters, sprayers, planters, seeders,
24 or spreaders. Precision farming equipment includes, but is not
25 limited to, soil testing sensors, computers, monitors,
26 software, global positioning and mapping systems, and other

1 such equipment.

2 Farm machinery and equipment also includes computers,
3 sensors, software, and related equipment used primarily in the
4 computer-assisted operation of production agriculture
5 facilities, equipment, and activities such as, but not limited
6 to, the collection, monitoring, and correlation of animal and
7 crop data for the purpose of formulating animal diets and
8 agricultural chemicals.

9 Beginning on January 1, 2024, farm machinery and equipment
10 also includes electrical power generation equipment used
11 primarily for production agriculture.

12 This item (11) is exempt from the provisions of Section
13 3-90.

14 (12) Until June 30, 2013, fuel and petroleum products sold
15 to or used by an air common carrier, certified by the carrier
16 to be used for consumption, shipment, or storage in the
17 conduct of its business as an air common carrier, for a flight
18 destined for or returning from a location or locations outside
19 the United States without regard to previous or subsequent
20 domestic stopovers.

21 Beginning July 1, 2013, fuel and petroleum products sold
22 to or used by an air carrier, certified by the carrier to be
23 used for consumption, shipment, or storage in the conduct of
24 its business as an air common carrier, for a flight that (i) is
25 engaged in foreign trade or is engaged in trade between the
26 United States and any of its possessions and (ii) transports

1 at least one individual or package for hire from the city of
2 origination to the city of final destination on the same
3 aircraft, without regard to a change in the flight number of
4 that aircraft.

5 (13) Proceeds of mandatory service charges separately
6 stated on customers' bills for the purchase and consumption of
7 food and beverages purchased at retail from a retailer, to the
8 extent that the proceeds of the service charge are in fact
9 turned over as tips or as a substitute for tips to the
10 employees who participate directly in preparing, serving,
11 hosting or cleaning up the food or beverage function with
12 respect to which the service charge is imposed.

13 (14) Until July 1, 2003, oil field exploration, drilling,
14 and production equipment, including (i) rigs and parts of
15 rigs, rotary rigs, cable tool rigs, and workover rigs, (ii)
16 pipe and tubular goods, including casing and drill strings,
17 (iii) pumps and pump-jack units, (iv) storage tanks and flow
18 lines, (v) any individual replacement part for oil field
19 exploration, drilling, and production equipment, and (vi)
20 machinery and equipment purchased for lease; but excluding
21 motor vehicles required to be registered under the Illinois
22 Vehicle Code.

23 (15) Photoprocessing machinery and equipment, including
24 repair and replacement parts, both new and used, including
25 that manufactured on special order, certified by the purchaser
26 to be used primarily for photoprocessing, and including

1 photoprocessing machinery and equipment purchased for lease.

2 (16) Until July 1, 2028, coal and aggregate exploration,
3 mining, off-highway hauling, processing, maintenance, and
4 reclamation equipment, including replacement parts and
5 equipment, and including equipment purchased for lease, but
6 excluding motor vehicles required to be registered under the
7 Illinois Vehicle Code. The changes made to this Section by
8 Public Act 97-767 apply on and after July 1, 2003, but no claim
9 for credit or refund is allowed on or after August 16, 2013
10 (the effective date of Public Act 98-456) for such taxes paid
11 during the period beginning July 1, 2003 and ending on August
12 16, 2013 (the effective date of Public Act 98-456).

13 (17) Until July 1, 2003, distillation machinery and
14 equipment, sold as a unit or kit, assembled or installed by the
15 retailer, certified by the user to be used only for the
16 production of ethyl alcohol that will be used for consumption
17 as motor fuel or as a component of motor fuel for the personal
18 use of the user, and not subject to sale or resale.

19 (18) Manufacturing and assembling machinery and equipment
20 used primarily in the process of manufacturing or assembling
21 tangible personal property for wholesale or retail sale or
22 lease, whether that sale or lease is made directly by the
23 manufacturer or by some other person, whether the materials
24 used in the process are owned by the manufacturer or some other
25 person, or whether that sale or lease is made apart from or as
26 an incident to the seller's engaging in the service occupation

1 of producing machines, tools, dies, jigs, patterns, gauges, or
2 other similar items of no commercial value on special order
3 for a particular purchaser. The exemption provided by this
4 paragraph (18) includes production related tangible personal
5 property, as defined in Section 3-50, purchased on or after
6 July 1, 2019. The exemption provided by this paragraph (18)
7 does not include machinery and equipment used in (i) the
8 generation of electricity for wholesale or retail sale; (ii)
9 the generation or treatment of natural or artificial gas for
10 wholesale or retail sale that is delivered to customers
11 through pipes, pipelines, or mains; or (iii) the treatment of
12 water for wholesale or retail sale that is delivered to
13 customers through pipes, pipelines, or mains. The provisions
14 of Public Act 98-583 are declaratory of existing law as to the
15 meaning and scope of this exemption. Beginning on July 1,
16 2017, the exemption provided by this paragraph (18) includes,
17 but is not limited to, graphic arts machinery and equipment,
18 as defined in paragraph (6) of this Section.

19 (19) Personal property delivered to a purchaser or
20 purchaser's donee inside Illinois when the purchase order for
21 that personal property was received by a florist located
22 outside Illinois who has a florist located inside Illinois
23 deliver the personal property.

24 (20) Semen used for artificial insemination of livestock
25 for direct agricultural production.

26 (21) Horses, or interests in horses, registered with and

1 meeting the requirements of any of the Arabian Horse Club
2 Registry of America, Appaloosa Horse Club, American Quarter
3 Horse Association, United States Trotting Association, or
4 Jockey Club, as appropriate, used for purposes of breeding or
5 racing for prizes. This item (21) is exempt from the
6 provisions of Section 3-90, and the exemption provided for
7 under this item (21) applies for all periods beginning May 30,
8 1995, but no claim for credit or refund is allowed on or after
9 January 1, 2008 for such taxes paid during the period
10 beginning May 30, 2000 and ending on January 1, 2008.

11 (22) Computers and communications equipment utilized for
12 any hospital purpose and equipment used in the diagnosis,
13 analysis, or treatment of hospital patients purchased by a
14 lessor who leases the equipment, under a lease of one year or
15 longer executed or in effect at the time the lessor would
16 otherwise be subject to the tax imposed by this Act, to a
17 hospital that has been issued an active tax exemption
18 identification number by the Department under Section 1g of
19 the Retailers' Occupation Tax Act. If the equipment is leased
20 in a manner that does not qualify for this exemption or is used
21 in any other non-exempt manner, the lessor shall be liable for
22 the tax imposed under this Act or the Service Use Tax Act, as
23 the case may be, based on the fair market value of the property
24 at the time the non-qualifying use occurs. No lessor shall
25 collect or attempt to collect an amount (however designated)
26 that purports to reimburse that lessor for the tax imposed by

1 this Act or the Service Use Tax Act, as the case may be, if the
2 tax has not been paid by the lessor. If a lessor improperly
3 collects any such amount from the lessee, the lessee shall
4 have a legal right to claim a refund of that amount from the
5 lessor. If, however, that amount is not refunded to the lessee
6 for any reason, the lessor is liable to pay that amount to the
7 Department.

8 (23) Personal property purchased by a lessor who leases
9 the property, under a lease of one year or longer executed or
10 in effect at the time the lessor would otherwise be subject to
11 the tax imposed by this Act, to a governmental body that has
12 been issued an active sales tax exemption identification
13 number by the Department under Section 1g of the Retailers'
14 Occupation Tax Act. If the property is leased in a manner that
15 does not qualify for this exemption or used in any other
16 non-exempt manner, the lessor shall be liable for the tax
17 imposed under this Act or the Service Use Tax Act, as the case
18 may be, based on the fair market value of the property at the
19 time the non-qualifying use occurs. No lessor shall collect or
20 attempt to collect an amount (however designated) that
21 purports to reimburse that lessor for the tax imposed by this
22 Act or the Service Use Tax Act, as the case may be, if the tax
23 has not been paid by the lessor. If a lessor improperly
24 collects any such amount from the lessee, the lessee shall
25 have a legal right to claim a refund of that amount from the
26 lessor. If, however, that amount is not refunded to the lessee

1 for any reason, the lessor is liable to pay that amount to the
2 Department.

3 (24) Beginning with taxable years ending on or after
4 December 31, 1995 and ending with taxable years ending on or
5 before December 31, 2004, personal property that is donated
6 for disaster relief to be used in a State or federally declared
7 disaster area in Illinois or bordering Illinois by a
8 manufacturer or retailer that is registered in this State to a
9 corporation, society, association, foundation, or institution
10 that has been issued a sales tax exemption identification
11 number by the Department that assists victims of the disaster
12 who reside within the declared disaster area.

13 (25) Beginning with taxable years ending on or after
14 December 31, 1995 and ending with taxable years ending on or
15 before December 31, 2004, personal property that is used in
16 the performance of infrastructure repairs in this State,
17 including, but not limited to, municipal roads and streets,
18 access roads, bridges, sidewalks, waste disposal systems,
19 water and sewer line extensions, water distribution and
20 purification facilities, storm water drainage and retention
21 facilities, and sewage treatment facilities, resulting from a
22 State or federally declared disaster in Illinois or bordering
23 Illinois when such repairs are initiated on facilities located
24 in the declared disaster area within 6 months after the
25 disaster.

26 (26) Beginning July 1, 1999, game or game birds purchased

1 at a "game breeding and hunting preserve area" as that term is
2 used in the Wildlife Code. This paragraph is exempt from the
3 provisions of Section 3-90.

4 (27) A motor vehicle, as that term is defined in Section
5 1-146 of the Illinois Vehicle Code, that is donated to a
6 corporation, limited liability company, society, association,
7 foundation, or institution that is determined by the
8 Department to be organized and operated exclusively for
9 educational purposes. For purposes of this exemption, "a
10 corporation, limited liability company, society, association,
11 foundation, or institution organized and operated exclusively
12 for educational purposes" means all tax-supported public
13 schools, private schools that offer systematic instruction in
14 useful branches of learning by methods common to public
15 schools and that compare favorably in their scope and
16 intensity with the course of study presented in tax-supported
17 schools, and vocational or technical schools or institutes
18 organized and operated exclusively to provide a course of
19 study of not less than 6 weeks duration and designed to prepare
20 individuals to follow a trade or to pursue a manual,
21 technical, mechanical, industrial, business, or commercial
22 occupation.

23 (28) Beginning January 1, 2000, personal property,
24 including food, purchased through fundraising events for the
25 benefit of a public or private elementary or secondary school,
26 a group of those schools, or one or more school districts if

1 the events are sponsored by an entity recognized by the school
2 district that consists primarily of volunteers and includes
3 parents and teachers of the school children. This paragraph
4 does not apply to fundraising events (i) for the benefit of
5 private home instruction or (ii) for which the fundraising
6 entity purchases the personal property sold at the events from
7 another individual or entity that sold the property for the
8 purpose of resale by the fundraising entity and that profits
9 from the sale to the fundraising entity. This paragraph is
10 exempt from the provisions of Section 3-90.

11 (29) Beginning January 1, 2000 and through December 31,
12 2001, new or used automatic vending machines that prepare and
13 serve hot food and beverages, including coffee, soup, and
14 other items, and replacement parts for these machines.
15 Beginning January 1, 2002 and through June 30, 2003, machines
16 and parts for machines used in commercial, coin-operated
17 amusement and vending business if a use or occupation tax is
18 paid on the gross receipts derived from the use of the
19 commercial, coin-operated amusement and vending machines. This
20 paragraph is exempt from the provisions of Section 3-90.

21 (30) Beginning January 1, 2001 and through June 30, 2016,
22 food for human consumption that is to be consumed off the
23 premises where it is sold (other than alcoholic beverages,
24 soft drinks, and food that has been prepared for immediate
25 consumption) and prescription and nonprescription medicines,
26 drugs, medical appliances, and insulin, urine testing

1 materials, syringes, and needles used by diabetics, for human
2 use, when purchased for use by a person receiving medical
3 assistance under Article V of the Illinois Public Aid Code who
4 resides in a licensed long-term care facility, as defined in
5 the Nursing Home Care Act, or in a licensed facility as defined
6 in the ID/DD Community Care Act, the MC/DD Act, or the
7 Specialized Mental Health Rehabilitation Act of 2013.

8 (31) Beginning on August 2, 2001 (the effective date of
9 Public Act 92-227), computers and communications equipment
10 utilized for any hospital purpose and equipment used in the
11 diagnosis, analysis, or treatment of hospital patients
12 purchased by a lessor who leases the equipment, under a lease
13 of one year or longer executed or in effect at the time the
14 lessor would otherwise be subject to the tax imposed by this
15 Act, to a hospital that has been issued an active tax exemption
16 identification number by the Department under Section 1g of
17 the Retailers' Occupation Tax Act. If the equipment is leased
18 in a manner that does not qualify for this exemption or is used
19 in any other nonexempt manner, the lessor shall be liable for
20 the tax imposed under this Act or the Service Use Tax Act, as
21 the case may be, based on the fair market value of the property
22 at the time the nonqualifying use occurs. No lessor shall
23 collect or attempt to collect an amount (however designated)
24 that purports to reimburse that lessor for the tax imposed by
25 this Act or the Service Use Tax Act, as the case may be, if the
26 tax has not been paid by the lessor. If a lessor improperly

1 collects any such amount from the lessee, the lessee shall
2 have a legal right to claim a refund of that amount from the
3 lessor. If, however, that amount is not refunded to the lessee
4 for any reason, the lessor is liable to pay that amount to the
5 Department. This paragraph is exempt from the provisions of
6 Section 3-90.

7 (32) Beginning on August 2, 2001 (the effective date of
8 Public Act 92-227), personal property purchased by a lessor
9 who leases the property, under a lease of one year or longer
10 executed or in effect at the time the lessor would otherwise be
11 subject to the tax imposed by this Act, to a governmental body
12 that has been issued an active sales tax exemption
13 identification number by the Department under Section 1g of
14 the Retailers' Occupation Tax Act. If the property is leased
15 in a manner that does not qualify for this exemption or used in
16 any other nonexempt manner, the lessor shall be liable for the
17 tax imposed under this Act or the Service Use Tax Act, as the
18 case may be, based on the fair market value of the property at
19 the time the nonqualifying use occurs. No lessor shall collect
20 or attempt to collect an amount (however designated) that
21 purports to reimburse that lessor for the tax imposed by this
22 Act or the Service Use Tax Act, as the case may be, if the tax
23 has not been paid by the lessor. If a lessor improperly
24 collects any such amount from the lessee, the lessee shall
25 have a legal right to claim a refund of that amount from the
26 lessor. If, however, that amount is not refunded to the lessee

1 for any reason, the lessor is liable to pay that amount to the
2 Department. This paragraph is exempt from the provisions of
3 Section 3-90.

4 (33) On and after July 1, 2003 and through June 30, 2004,
5 the use in this State of motor vehicles of the second division
6 with a gross vehicle weight in excess of 8,000 pounds and that
7 are subject to the commercial distribution fee imposed under
8 Section 3-815.1 of the Illinois Vehicle Code. Beginning on
9 July 1, 2004 and through June 30, 2005, the use in this State
10 of motor vehicles of the second division: (i) with a gross
11 vehicle weight rating in excess of 8,000 pounds; (ii) that are
12 subject to the commercial distribution fee imposed under
13 Section 3-815.1 of the Illinois Vehicle Code; and (iii) that
14 are primarily used for commercial purposes. Through June 30,
15 2005, this exemption applies to repair and replacement parts
16 added after the initial purchase of such a motor vehicle if
17 that motor vehicle is used in a manner that would qualify for
18 the rolling stock exemption otherwise provided for in this
19 Act. For purposes of this paragraph, the term "used for
20 commercial purposes" means the transportation of persons or
21 property in furtherance of any commercial or industrial
22 enterprise, whether for-hire or not.

23 (34) Beginning January 1, 2008, tangible personal property
24 used in the construction or maintenance of a community water
25 supply, as defined under Section 3.145 of the Environmental
26 Protection Act, that is operated by a not-for-profit

1 corporation that holds a valid water supply permit issued
2 under Title IV of the Environmental Protection Act. This
3 paragraph is exempt from the provisions of Section 3-90.

4 (35) Beginning January 1, 2010 and continuing through
5 December 31, 2029, materials, parts, equipment, components,
6 and furnishings incorporated into or upon an aircraft as part
7 of the modification, refurbishment, completion, replacement,
8 repair, or maintenance of the aircraft. This exemption
9 includes consumable supplies used in the modification,
10 refurbishment, completion, replacement, repair, and
11 maintenance of aircraft. However, until January 1, 2024, this
12 exemption excludes any materials, parts, equipment,
13 components, and consumable supplies used in the modification,
14 replacement, repair, and maintenance of aircraft engines or
15 power plants, whether such engines or power plants are
16 installed or uninstalled upon any such aircraft. "Consumable
17 supplies" include, but are not limited to, adhesive, tape,
18 sandpaper, general purpose lubricants, cleaning solution,
19 latex gloves, and protective films.

20 Beginning January 1, 2010 and continuing through December
21 31, 2023, this exemption applies only to the use of qualifying
22 tangible personal property by persons who modify, refurbish,
23 complete, repair, replace, or maintain aircraft and who (i)
24 hold an Air Agency Certificate and are empowered to operate an
25 approved repair station by the Federal Aviation
26 Administration, (ii) have a Class IV Rating, and (iii) conduct

1 operations in accordance with Part 145 of the Federal Aviation
2 Regulations. From January 1, 2024 through December 31, 2029,
3 this exemption applies only to the use of qualifying tangible
4 personal property by: (A) persons who modify, refurbish,
5 complete, repair, replace, or maintain aircraft and who (i)
6 hold an Air Agency Certificate and are empowered to operate an
7 approved repair station by the Federal Aviation
8 Administration, (ii) have a Class IV Rating, and (iii) conduct
9 operations in accordance with Part 145 of the Federal Aviation
10 Regulations; and (B) persons who engage in the modification,
11 replacement, repair, and maintenance of aircraft engines or
12 power plants without regard to whether or not those persons
13 meet the qualifications of item (A).

14 The exemption does not include aircraft operated by a
15 commercial air carrier providing scheduled passenger air
16 service pursuant to authority issued under Part 121 or Part
17 129 of the Federal Aviation Regulations. The changes made to
18 this paragraph (35) by Public Act 98-534 are declarative of
19 existing law. It is the intent of the General Assembly that the
20 exemption under this paragraph (35) applies continuously from
21 January 1, 2010 through December 31, 2024; however, no claim
22 for credit or refund is allowed for taxes paid as a result of
23 the disallowance of this exemption on or after January 1, 2015
24 and prior to February 5, 2020 (the effective date of Public Act
25 101-629).

26 (36) Tangible personal property purchased by a

1 public-facilities corporation, as described in Section
2 11-65-10 of the Illinois Municipal Code, for purposes of
3 constructing or furnishing a municipal convention hall, but
4 only if the legal title to the municipal convention hall is
5 transferred to the municipality without any further
6 consideration by or on behalf of the municipality at the time
7 of the completion of the municipal convention hall or upon the
8 retirement or redemption of any bonds or other debt
9 instruments issued by the public-facilities corporation in
10 connection with the development of the municipal convention
11 hall. This exemption includes existing public-facilities
12 corporations as provided in Section 11-65-25 of the Illinois
13 Municipal Code. This paragraph is exempt from the provisions
14 of Section 3-90.

15 (37) Beginning January 1, 2017 and through December 31,
16 2026, menstrual pads, tampons, and menstrual cups.

17 (38) Merchandise that is subject to the Rental Purchase
18 Agreement Occupation and Use Tax. The purchaser must certify
19 that the item is purchased to be rented subject to a
20 rental-purchase ~~rental-purchase~~ agreement, as defined in the
21 Rental-Purchase ~~Rental-Purchase~~ Agreement Act, and provide
22 proof of registration under the Rental Purchase Agreement
23 Occupation and Use Tax Act. This paragraph is exempt from the
24 provisions of Section 3-90.

25 (39) Tangible personal property purchased by a purchaser
26 who is exempt from the tax imposed by this Act by operation of

1 federal law. This paragraph is exempt from the provisions of
2 Section 3-90.

3 (40) Qualified tangible personal property used in the
4 construction or operation of a data center that has been
5 granted a certificate of exemption by the Department of
6 Commerce and Economic Opportunity, whether that tangible
7 personal property is purchased by the owner, operator, or
8 tenant of the data center or by a contractor or subcontractor
9 of the owner, operator, or tenant. Data centers that would
10 have qualified for a certificate of exemption prior to January
11 1, 2020 had Public Act 101-31 been in effect may apply for and
12 obtain an exemption for subsequent purchases of computer
13 equipment or enabling software purchased or leased to upgrade,
14 supplement, or replace computer equipment or enabling software
15 purchased or leased in the original investment that would have
16 qualified.

17 The Department of Commerce and Economic Opportunity shall
18 grant a certificate of exemption under this item (40) to
19 qualified data centers as defined by Section 605-1025 of the
20 Department of Commerce and Economic Opportunity Law of the
21 Civil Administrative Code of Illinois.

22 For the purposes of this item (40):

23 "Data center" means a building or a series of
24 buildings rehabilitated or constructed to house working
25 servers in one physical location or multiple sites within
26 the State of Illinois.

1 "Qualified tangible personal property" means:
2 electrical systems and equipment; climate control and
3 chilling equipment and systems; mechanical systems and
4 equipment; monitoring and secure systems; emergency
5 generators; hardware; computers; servers; data storage
6 devices; network connectivity equipment; racks; cabinets;
7 telecommunications cabling infrastructure; raised floor
8 systems; peripheral components or systems; software;
9 mechanical, electrical, or plumbing systems; battery
10 systems; cooling systems and towers; temperature control
11 systems; other cabling; and other data center
12 infrastructure equipment and systems necessary to operate
13 qualified tangible personal property, including fixtures;
14 and component parts of any of the foregoing, including
15 installation, maintenance, repair, refurbishment, and
16 replacement of qualified tangible personal property to
17 generate, transform, transmit, distribute, or manage
18 electricity necessary to operate qualified tangible
19 personal property; and all other tangible personal
20 property that is essential to the operations of a computer
21 data center. The term "qualified tangible personal
22 property" also includes building materials physically
23 incorporated into ~~in to~~ the qualifying data center. To
24 document the exemption allowed under this Section, the
25 retailer must obtain from the purchaser a copy of the
26 certificate of eligibility issued by the Department of

1 Commerce and Economic Opportunity.

2 This item (40) is exempt from the provisions of Section
3 3-90.

4 (41) Beginning July 1, 2022, breast pumps, breast pump
5 collection and storage supplies, and breast pump kits. This
6 item (41) is exempt from the provisions of Section 3-90. As
7 used in this item (41):

8 "Breast pump" means an electrically controlled or
9 manually controlled pump device designed or marketed to be
10 used to express milk from a human breast during lactation,
11 including the pump device and any battery, AC adapter, or
12 other power supply unit that is used to power the pump
13 device and is packaged and sold with the pump device at the
14 time of sale.

15 "Breast pump collection and storage supplies" means
16 items of tangible personal property designed or marketed
17 to be used in conjunction with a breast pump to collect
18 milk expressed from a human breast and to store collected
19 milk until it is ready for consumption.

20 "Breast pump collection and storage supplies"
21 includes, but is not limited to: breast shields and breast
22 shield connectors; breast pump tubes and tubing adapters;
23 breast pump valves and membranes; backflow protectors and
24 backflow protector adaptors; bottles and bottle caps
25 specific to the operation of the breast pump; and breast
26 milk storage bags.

1 "Breast pump collection and storage supplies" does not
2 include: (1) bottles and bottle caps not specific to the
3 operation of the breast pump; (2) breast pump travel bags
4 and other similar carrying accessories, including ice
5 packs, labels, and other similar products; (3) breast pump
6 cleaning supplies; (4) nursing bras, bra pads, breast
7 shells, and other similar products; and (5) creams,
8 ointments, and other similar products that relieve
9 breastfeeding-related symptoms or conditions of the
10 breasts or nipples, unless sold as part of a breast pump
11 kit that is pre-packaged by the breast pump manufacturer
12 or distributor.

13 "Breast pump kit" means a kit that: (1) contains no
14 more than a breast pump, breast pump collection and
15 storage supplies, a rechargeable battery for operating the
16 breast pump, a breastmilk cooler, bottle stands, ice
17 packs, and a breast pump carrying case; and (2) is
18 pre-packaged as a breast pump kit by the breast pump
19 manufacturer or distributor.

20 (42) Tangible personal property sold by or on behalf of
21 the State Treasurer pursuant to the Revised Uniform Unclaimed
22 Property Act. This item (42) is exempt from the provisions of
23 Section 3-90.

24 (43) Beginning on January 1, 2024, tangible personal
25 property purchased by an active duty member of the armed
26 forces of the United States who presents valid military

1 identification and purchases the property using a form of
2 payment where the federal government is the payor. The member
3 of the armed forces must complete, at the point of sale, a form
4 prescribed by the Department of Revenue documenting that the
5 transaction is eligible for the exemption under this
6 paragraph. Retailers must keep the form as documentation of
7 the exemption in their records for a period of not less than 6
8 years. "Armed forces of the United States" means the United
9 States Army, Navy, Air Force, Marine Corps, or Coast Guard.
10 This paragraph is exempt from the provisions of Section 3-90.

11 (44) Beginning on July 1, 2024, food for human consumption
12 that is to be consumed off the premises where it is sold (other
13 than alcoholic beverages, food consisting of or infused with
14 adult use cannabis, soft drinks, and food that has been
15 prepared for immediate consumption). This item (44) is exempt
16 from the provisions of Section 3-90.

17 (Source: P.A. 102-16, eff. 6-17-21; 102-700, Article 70,
18 Section 70-5, eff. 4-19-22; 102-700, Article 75, Section 75-5,
19 eff. 4-19-22; 102-1026, eff. 5-27-22; 103-9, Article 5,
20 Section 5-5, eff. 6-7-23; 103-9, Article 15, Section 15-5,
21 eff. 6-7-23; 103-154, eff. 6-30-23; 103-384, eff. 1-1-24;
22 revised 12-12-23.)

23 (35 ILCS 105/3-10)

24 Sec. 3-10. Rate of tax. Unless otherwise provided in this
25 Section, the tax imposed by this Act is at the rate of 6.25% of

1 either the selling price or the fair market value, if any, of
2 the tangible personal property. In all cases where property
3 functionally used or consumed is the same as the property that
4 was purchased at retail, then the tax is imposed on the selling
5 price of the property. In all cases where property
6 functionally used or consumed is a by-product or waste product
7 that has been refined, manufactured, or produced from property
8 purchased at retail, then the tax is imposed on the lower of
9 the fair market value, if any, of the specific property so used
10 in this State or on the selling price of the property purchased
11 at retail. For purposes of this Section "fair market value"
12 means the price at which property would change hands between a
13 willing buyer and a willing seller, neither being under any
14 compulsion to buy or sell and both having reasonable knowledge
15 of the relevant facts. The fair market value shall be
16 established by Illinois sales by the taxpayer of the same
17 property as that functionally used or consumed, or if there
18 are no such sales by the taxpayer, then comparable sales or
19 purchases of property of like kind and character in Illinois.

20 Beginning on July 1, 2000 and through December 31, 2000,
21 with respect to motor fuel, as defined in Section 1.1 of the
22 Motor Fuel Tax Law, and gasohol, as defined in Section 3-40 of
23 the Use Tax Act, the tax is imposed at the rate of 1.25%.

24 Beginning 30 days after the effective date of this
25 amendatory Act of the 103rd General Assembly, with respect to:
26 motor fuel, as defined in Section 1.1 of the Motor Fuel Tax

1 Law; gasohol, as defined in Section 3-40 of this Act; majority
2 blended ethanol fuel; and biodiesel and biodiesel blends, the
3 tax imposed under this Act may not exceed the cents per gallon
4 rate established by the Department under subsection (e) of
5 Section 2d of the Retailers' Occupation Tax Act. With respect
6 to the tax imposed on biodiesel blends and gasohol, the
7 maximum cents per gallon rate shall include the reduction
8 allowed in subsection (e) of Section 2d of the Retailers'
9 Occupation Tax Act.

10 Beginning on August 6, 2010 through August 15, 2010, and
11 beginning again on August 5, 2022 through August 14, 2022,
12 with respect to sales tax holiday items as defined in Section
13 3-6 of this Act, the tax is imposed at the rate of 1.25%.

14 With respect to gasohol, the tax imposed by this Act
15 applies to (i) 70% of the proceeds of sales made on or after
16 January 1, 1990, and before July 1, 2003, (ii) 80% of the
17 proceeds of sales made on or after July 1, 2003 and on or
18 before July 1, 2017, (iii) 100% of the proceeds of sales made
19 after July 1, 2017 and prior to January 1, 2024, (iv) 90% of
20 the proceeds of sales made on or after January 1, 2024 and on
21 or before December 31, 2028, and (v) 100% of the proceeds of
22 sales made after December 31, 2028. If, at any time, however,
23 the tax under this Act on sales of gasohol is imposed at the
24 rate of 1.25%, then the tax imposed by this Act applies to 100%
25 of the proceeds of sales of gasohol made during that time.

26 With respect to mid-range ethanol blends, the tax imposed

1 by this Act applies to (i) 80% of the proceeds of sales made on
2 or after January 1, 2024 and on or before December 31, 2028 and
3 (ii) 100% of the proceeds of sales made thereafter. If, at any
4 time, however, the tax under this Act on sales of mid-range
5 ethanol blends is imposed at the rate of 1.25%, then the tax
6 imposed by this Act applies to 100% of the proceeds of sales of
7 mid-range ethanol blends made during that time.

8 With respect to majority blended ethanol fuel, the tax
9 imposed by this Act does not apply to the proceeds of sales
10 made on or after July 1, 2003 and on or before December 31,
11 2028 but applies to 100% of the proceeds of sales made
12 thereafter.

13 With respect to biodiesel blends with no less than 1% and
14 no more than 10% biodiesel, the tax imposed by this Act applies
15 to (i) 80% of the proceeds of sales made on or after July 1,
16 2003 and on or before December 31, 2018 and (ii) 100% of the
17 proceeds of sales made after December 31, 2018 and before
18 January 1, 2024. On and after January 1, 2024 and on or before
19 December 31, 2030, the taxation of biodiesel, renewable
20 diesel, and biodiesel blends shall be as provided in Section
21 3-5.1. If, at any time, however, the tax under this Act on
22 sales of biodiesel blends with no less than 1% and no more than
23 10% biodiesel is imposed at the rate of 1.25%, then the tax
24 imposed by this Act applies to 100% of the proceeds of sales of
25 biodiesel blends with no less than 1% and no more than 10%
26 biodiesel made during that time.

1 With respect to biodiesel and biodiesel blends with more
2 than 10% but no more than 99% biodiesel, the tax imposed by
3 this Act does not apply to the proceeds of sales made on or
4 after July 1, 2003 and on or before December 31, 2023. On and
5 after January 1, 2024 and on or before December 31, 2030, the
6 taxation of biodiesel, renewable diesel, and biodiesel blends
7 shall be as provided in Section 3-5.1.

8 Until July 1, 2022 and from beginning again on July 1, 2023
9 through June 30, 2024, with respect to food for human
10 consumption that is to be consumed off the premises where it is
11 sold (other than alcoholic beverages, food consisting of or
12 infused with adult use cannabis, soft drinks, and food that
13 has been prepared for immediate consumption), the tax is
14 imposed at the rate of 1%. From Beginning on July 1, 2022
15 through June 30, 2023, and on and after July 1, 2024, and until
16 July 1, 2023, with respect to food for human consumption that
17 is to be consumed off the premises where it is sold (other than
18 alcoholic beverages, food consisting of or infused with adult
19 use cannabis, soft drinks, and food that has been prepared for
20 immediate consumption) is exempt from the tax imposed under
21 this Act , ~~the tax is imposed at the rate of 0%.~~

22 With respect to prescription and nonprescription
23 medicines, drugs, medical appliances, products classified as
24 Class III medical devices by the United States Food and Drug
25 Administration that are used for cancer treatment pursuant to
26 a prescription, as well as any accessories and components

1 related to those devices, modifications to a motor vehicle for
2 the purpose of rendering it usable by a person with a
3 disability, and insulin, blood sugar testing materials,
4 syringes, and needles used by human diabetics, the tax is
5 imposed at the rate of 1%. For the purposes of this Section,
6 until September 1, 2009: the term "soft drinks" means any
7 complete, finished, ready-to-use, non-alcoholic drink, whether
8 carbonated or not, including, but not limited to, soda water,
9 cola, fruit juice, vegetable juice, carbonated water, and all
10 other preparations commonly known as soft drinks of whatever
11 kind or description that are contained in any closed or sealed
12 bottle, can, carton, or container, regardless of size; but
13 "soft drinks" does not include coffee, tea, non-carbonated
14 water, infant formula, milk or milk products as defined in the
15 Grade A Pasteurized Milk and Milk Products Act, or drinks
16 containing 50% or more natural fruit or vegetable juice.

17 Notwithstanding any other provisions of this Act,
18 beginning September 1, 2009, "soft drinks" means non-alcoholic
19 beverages that contain natural or artificial sweeteners. "Soft
20 drinks" does not include beverages that contain milk or milk
21 products, soy, rice or similar milk substitutes, or greater
22 than 50% of vegetable or fruit juice by volume.

23 Until August 1, 2009, and notwithstanding any other
24 provisions of this Act, "food for human consumption that is to
25 be consumed off the premises where it is sold" includes all
26 food sold through a vending machine, except soft drinks and

1 food products that are dispensed hot from a vending machine,
2 regardless of the location of the vending machine. Beginning
3 August 1, 2009, and notwithstanding any other provisions of
4 this Act, "food for human consumption that is to be consumed
5 off the premises where it is sold" includes all food sold
6 through a vending machine, except soft drinks, candy, and food
7 products that are dispensed hot from a vending machine,
8 regardless of the location of the vending machine.

9 Notwithstanding any other provisions of this Act,
10 beginning September 1, 2009, "food for human consumption that
11 is to be consumed off the premises where it is sold" does not
12 include candy. For purposes of this Section, "candy" means a
13 preparation of sugar, honey, or other natural or artificial
14 sweeteners in combination with chocolate, fruits, nuts or
15 other ingredients or flavorings in the form of bars, drops, or
16 pieces. "Candy" does not include any preparation that contains
17 flour or requires refrigeration.

18 Notwithstanding any other provisions of this Act,
19 beginning September 1, 2009, "nonprescription medicines and
20 drugs" does not include grooming and hygiene products. For
21 purposes of this Section, "grooming and hygiene products"
22 includes, but is not limited to, soaps and cleaning solutions,
23 shampoo, toothpaste, mouthwash, antiperspirants, and sun tan
24 lotions and screens, unless those products are available by
25 prescription only, regardless of whether the products meet the
26 definition of "over-the-counter-drugs". For the purposes of

1 this paragraph, "over-the-counter-drug" means a drug for human
2 use that contains a label that identifies the product as a drug
3 as required by 21 CFR 201.66. The "over-the-counter-drug"
4 label includes:

5 (A) a "Drug Facts" panel; or

6 (B) a statement of the "active ingredient(s)" with a
7 list of those ingredients contained in the compound,
8 substance or preparation.

9 Beginning on January 1, 2014 (the effective date of Public
10 Act 98-122), "prescription and nonprescription medicines and
11 drugs" includes medical cannabis purchased from a registered
12 dispensing organization under the Compassionate Use of Medical
13 Cannabis Program Act.

14 As used in this Section, "adult use cannabis" means
15 cannabis subject to tax under the Cannabis Cultivation
16 Privilege Tax Law and the Cannabis Purchaser Excise Tax Law
17 and does not include cannabis subject to tax under the
18 Compassionate Use of Medical Cannabis Program Act.

19 If the property that is purchased at retail from a
20 retailer is acquired outside Illinois and used outside
21 Illinois before being brought to Illinois for use here and is
22 taxable under this Act, the "selling price" on which the tax is
23 computed shall be reduced by an amount that represents a
24 reasonable allowance for depreciation for the period of prior
25 out-of-state use.

26 (Source: P.A. 102-4, eff. 4-27-21; 102-700, Article 20,

1 Section 20-5, eff. 4-19-22; 102-700, Article 60, Section
2 60-15, eff. 4-19-22; 102-700, Article 65, Section 65-5, eff.
3 4-19-22; 103-9, eff. 6-7-23; 103-154 eff. 6-30-23.)

4 (35 ILCS 105/3a) (from Ch. 120, par. 439.3a)

5 Sec. 3a. The tax imposed by the Act shall when collected be
6 stated as a distinct item separate and apart from the selling
7 price of the tangible personal property. However, where it is
8 not possible to state the sales tax separately in situations
9 such as sales from vending machines or sales of liquor by the
10 drink the Department may by rule exempt such sales from this
11 requirement so long as purchasers are notified by a sign that
12 the tax is included in the selling price.

13 ~~In addition, retailers who sell items that would have been~~
14 ~~taxed at the 1% rate but for the 0% rate imposed under this~~
15 ~~amendatory Act of the 102nd General Assembly shall, to the~~
16 ~~extent feasible, include the following statement on any cash~~
17 ~~register tape, receipt, invoice, or sales ticket issued to~~
18 ~~customers: "From July 1, 2022 through July 1, 2023, the State~~
19 ~~of Illinois sales tax on groceries is 0%.". If it is not~~
20 ~~feasible for the retailer to include the statement on any cash~~
21 ~~register tape, receipt, invoice, or sales ticket issued to~~
22 ~~customers, then the retailer shall post the statement on a~~
23 ~~sign that is clearly visible to customers. The sign shall be no~~
24 ~~smaller than 4 inches by 8 inches.~~

25 (Source: P.A. 102-700, eff. 4-19-22.)

1 Section 15. The Service Use Tax Act is amended by changing
2 Sections 3-5 and 3-10 as follows:

3 (35 ILCS 110/3-5)

4 Sec. 3-5. Exemptions. Use of the following tangible
5 personal property is exempt from the tax imposed by this Act:

6 (1) Personal property purchased from a corporation,
7 society, association, foundation, institution, or
8 organization, other than a limited liability company, that is
9 organized and operated as a not-for-profit service enterprise
10 for the benefit of persons 65 years of age or older if the
11 personal property was not purchased by the enterprise for the
12 purpose of resale by the enterprise.

13 (2) Personal property purchased by a non-profit Illinois
14 county fair association for use in conducting, operating, or
15 promoting the county fair.

16 (3) Personal property purchased by a not-for-profit arts
17 or cultural organization that establishes, by proof required
18 by the Department by rule, that it has received an exemption
19 under Section 501(c)(3) of the Internal Revenue Code and that
20 is organized and operated primarily for the presentation or
21 support of arts or cultural programming, activities, or
22 services. These organizations include, but are not limited to,
23 music and dramatic arts organizations such as symphony
24 orchestras and theatrical groups, arts and cultural service

1 organizations, local arts councils, visual arts organizations,
2 and media arts organizations. On and after July 1, 2001 (the
3 effective date of Public Act 92-35), however, an entity
4 otherwise eligible for this exemption shall not make tax-free
5 purchases unless it has an active identification number issued
6 by the Department.

7 (4) Legal tender, currency, medallions, or gold or silver
8 coinage issued by the State of Illinois, the government of the
9 United States of America, or the government of any foreign
10 country, and bullion.

11 (5) Until July 1, 2003 and beginning again on September 1,
12 2004 through August 30, 2014, graphic arts machinery and
13 equipment, including repair and replacement parts, both new
14 and used, and including that manufactured on special order or
15 purchased for lease, certified by the purchaser to be used
16 primarily for graphic arts production. Equipment includes
17 chemicals or chemicals acting as catalysts but only if the
18 chemicals or chemicals acting as catalysts effect a direct and
19 immediate change upon a graphic arts product. Beginning on
20 July 1, 2017, graphic arts machinery and equipment is included
21 in the manufacturing and assembling machinery and equipment
22 exemption under Section 2 of this Act.

23 (6) Personal property purchased from a teacher-sponsored
24 student organization affiliated with an elementary or
25 secondary school located in Illinois.

26 (7) Farm machinery and equipment, both new and used,

1 including that manufactured on special order, certified by the
2 purchaser to be used primarily for production agriculture or
3 State or federal agricultural programs, including individual
4 replacement parts for the machinery and equipment, including
5 machinery and equipment purchased for lease, and including
6 implements of husbandry defined in Section 1-130 of the
7 Illinois Vehicle Code, farm machinery and agricultural
8 chemical and fertilizer spreaders, and nurse wagons required
9 to be registered under Section 3-809 of the Illinois Vehicle
10 Code, but excluding other motor vehicles required to be
11 registered under the Illinois Vehicle Code. Horticultural
12 polyhouses or hoop houses used for propagating, growing, or
13 overwintering plants shall be considered farm machinery and
14 equipment under this item (7). Agricultural chemical tender
15 tanks and dry boxes shall include units sold separately from a
16 motor vehicle required to be licensed and units sold mounted
17 on a motor vehicle required to be licensed if the selling price
18 of the tender is separately stated.

19 Farm machinery and equipment shall include precision
20 farming equipment that is installed or purchased to be
21 installed on farm machinery and equipment, including, but not
22 limited to, tractors, harvesters, sprayers, planters, seeders,
23 or spreaders. Precision farming equipment includes, but is not
24 limited to, soil testing sensors, computers, monitors,
25 software, global positioning and mapping systems, and other
26 such equipment.

1 Farm machinery and equipment also includes computers,
2 sensors, software, and related equipment used primarily in the
3 computer-assisted operation of production agriculture
4 facilities, equipment, and activities such as, but not limited
5 to, the collection, monitoring, and correlation of animal and
6 crop data for the purpose of formulating animal diets and
7 agricultural chemicals.

8 Beginning on January 1, 2024, farm machinery and equipment
9 also includes electrical power generation equipment used
10 primarily for production agriculture.

11 This item (7) is exempt from the provisions of Section
12 3-75.

13 (8) Until June 30, 2013, fuel and petroleum products sold
14 to or used by an air common carrier, certified by the carrier
15 to be used for consumption, shipment, or storage in the
16 conduct of its business as an air common carrier, for a flight
17 destined for or returning from a location or locations outside
18 the United States without regard to previous or subsequent
19 domestic stopovers.

20 Beginning July 1, 2013, fuel and petroleum products sold
21 to or used by an air carrier, certified by the carrier to be
22 used for consumption, shipment, or storage in the conduct of
23 its business as an air common carrier, for a flight that (i) is
24 engaged in foreign trade or is engaged in trade between the
25 United States and any of its possessions and (ii) transports
26 at least one individual or package for hire from the city of

1 origination to the city of final destination on the same
2 aircraft, without regard to a change in the flight number of
3 that aircraft.

4 (9) Proceeds of mandatory service charges separately
5 stated on customers' bills for the purchase and consumption of
6 food and beverages acquired as an incident to the purchase of a
7 service from a serviceman, to the extent that the proceeds of
8 the service charge are in fact turned over as tips or as a
9 substitute for tips to the employees who participate directly
10 in preparing, serving, hosting or cleaning up the food or
11 beverage function with respect to which the service charge is
12 imposed.

13 (10) Until July 1, 2003, oil field exploration, drilling,
14 and production equipment, including (i) rigs and parts of
15 rigs, rotary rigs, cable tool rigs, and workover rigs, (ii)
16 pipe and tubular goods, including casing and drill strings,
17 (iii) pumps and pump-jack units, (iv) storage tanks and flow
18 lines, (v) any individual replacement part for oil field
19 exploration, drilling, and production equipment, and (vi)
20 machinery and equipment purchased for lease; but excluding
21 motor vehicles required to be registered under the Illinois
22 Vehicle Code.

23 (11) Proceeds from the sale of photoprocessing machinery
24 and equipment, including repair and replacement parts, both
25 new and used, including that manufactured on special order,
26 certified by the purchaser to be used primarily for

1 photoprocessing, and including photoprocessing machinery and
2 equipment purchased for lease.

3 (12) Until July 1, 2028, coal and aggregate exploration,
4 mining, off-highway hauling, processing, maintenance, and
5 reclamation equipment, including replacement parts and
6 equipment, and including equipment purchased for lease, but
7 excluding motor vehicles required to be registered under the
8 Illinois Vehicle Code. The changes made to this Section by
9 Public Act 97-767 apply on and after July 1, 2003, but no claim
10 for credit or refund is allowed on or after August 16, 2013
11 (the effective date of Public Act 98-456) for such taxes paid
12 during the period beginning July 1, 2003 and ending on August
13 16, 2013 (the effective date of Public Act 98-456).

14 (13) Semen used for artificial insemination of livestock
15 for direct agricultural production.

16 (14) Horses, or interests in horses, registered with and
17 meeting the requirements of any of the Arabian Horse Club
18 Registry of America, Appaloosa Horse Club, American Quarter
19 Horse Association, United States Trotting Association, or
20 Jockey Club, as appropriate, used for purposes of breeding or
21 racing for prizes. This item (14) is exempt from the
22 provisions of Section 3-75, and the exemption provided for
23 under this item (14) applies for all periods beginning May 30,
24 1995, but no claim for credit or refund is allowed on or after
25 January 1, 2008 (the effective date of Public Act 95-88) for
26 such taxes paid during the period beginning May 30, 2000 and

1 ending on January 1, 2008 (the effective date of Public Act
2 95-88).

3 (15) Computers and communications equipment utilized for
4 any hospital purpose and equipment used in the diagnosis,
5 analysis, or treatment of hospital patients purchased by a
6 lessor who leases the equipment, under a lease of one year or
7 longer executed or in effect at the time the lessor would
8 otherwise be subject to the tax imposed by this Act, to a
9 hospital that has been issued an active tax exemption
10 identification number by the Department under Section 1g of
11 the Retailers' Occupation Tax Act. If the equipment is leased
12 in a manner that does not qualify for this exemption or is used
13 in any other non-exempt manner, the lessor shall be liable for
14 the tax imposed under this Act or the Use Tax Act, as the case
15 may be, based on the fair market value of the property at the
16 time the non-qualifying use occurs. No lessor shall collect or
17 attempt to collect an amount (however designated) that
18 purports to reimburse that lessor for the tax imposed by this
19 Act or the Use Tax Act, as the case may be, if the tax has not
20 been paid by the lessor. If a lessor improperly collects any
21 such amount from the lessee, the lessee shall have a legal
22 right to claim a refund of that amount from the lessor. If,
23 however, that amount is not refunded to the lessee for any
24 reason, the lessor is liable to pay that amount to the
25 Department.

26 (16) Personal property purchased by a lessor who leases

1 the property, under a lease of one year or longer executed or
2 in effect at the time the lessor would otherwise be subject to
3 the tax imposed by this Act, to a governmental body that has
4 been issued an active tax exemption identification number by
5 the Department under Section 1g of the Retailers' Occupation
6 Tax Act. If the property is leased in a manner that does not
7 qualify for this exemption or is used in any other non-exempt
8 manner, the lessor shall be liable for the tax imposed under
9 this Act or the Use Tax Act, as the case may be, based on the
10 fair market value of the property at the time the
11 non-qualifying use occurs. No lessor shall collect or attempt
12 to collect an amount (however designated) that purports to
13 reimburse that lessor for the tax imposed by this Act or the
14 Use Tax Act, as the case may be, if the tax has not been paid
15 by the lessor. If a lessor improperly collects any such amount
16 from the lessee, the lessee shall have a legal right to claim a
17 refund of that amount from the lessor. If, however, that
18 amount is not refunded to the lessee for any reason, the lessor
19 is liable to pay that amount to the Department.

20 (17) Beginning with taxable years ending on or after
21 December 31, 1995 and ending with taxable years ending on or
22 before December 31, 2004, personal property that is donated
23 for disaster relief to be used in a State or federally declared
24 disaster area in Illinois or bordering Illinois by a
25 manufacturer or retailer that is registered in this State to a
26 corporation, society, association, foundation, or institution

1 that has been issued a sales tax exemption identification
2 number by the Department that assists victims of the disaster
3 who reside within the declared disaster area.

4 (18) Beginning with taxable years ending on or after
5 December 31, 1995 and ending with taxable years ending on or
6 before December 31, 2004, personal property that is used in
7 the performance of infrastructure repairs in this State,
8 including, but not limited to, municipal roads and streets,
9 access roads, bridges, sidewalks, waste disposal systems,
10 water and sewer line extensions, water distribution and
11 purification facilities, storm water drainage and retention
12 facilities, and sewage treatment facilities, resulting from a
13 State or federally declared disaster in Illinois or bordering
14 Illinois when such repairs are initiated on facilities located
15 in the declared disaster area within 6 months after the
16 disaster.

17 (19) Beginning July 1, 1999, game or game birds purchased
18 at a "game breeding and hunting preserve area" as that term is
19 used in the Wildlife Code. This paragraph is exempt from the
20 provisions of Section 3-75.

21 (20) A motor vehicle, as that term is defined in Section
22 1-146 of the Illinois Vehicle Code, that is donated to a
23 corporation, limited liability company, society, association,
24 foundation, or institution that is determined by the
25 Department to be organized and operated exclusively for
26 educational purposes. For purposes of this exemption, "a

1 corporation, limited liability company, society, association,
2 foundation, or institution organized and operated exclusively
3 for educational purposes" means all tax-supported public
4 schools, private schools that offer systematic instruction in
5 useful branches of learning by methods common to public
6 schools and that compare favorably in their scope and
7 intensity with the course of study presented in tax-supported
8 schools, and vocational or technical schools or institutes
9 organized and operated exclusively to provide a course of
10 study of not less than 6 weeks duration and designed to prepare
11 individuals to follow a trade or to pursue a manual,
12 technical, mechanical, industrial, business, or commercial
13 occupation.

14 (21) Beginning January 1, 2000, personal property,
15 including food, purchased through fundraising events for the
16 benefit of a public or private elementary or secondary school,
17 a group of those schools, or one or more school districts if
18 the events are sponsored by an entity recognized by the school
19 district that consists primarily of volunteers and includes
20 parents and teachers of the school children. This paragraph
21 does not apply to fundraising events (i) for the benefit of
22 private home instruction or (ii) for which the fundraising
23 entity purchases the personal property sold at the events from
24 another individual or entity that sold the property for the
25 purpose of resale by the fundraising entity and that profits
26 from the sale to the fundraising entity. This paragraph is

1 exempt from the provisions of Section 3-75.

2 (22) Beginning January 1, 2000 and through December 31,
3 2001, new or used automatic vending machines that prepare and
4 serve hot food and beverages, including coffee, soup, and
5 other items, and replacement parts for these machines.
6 Beginning January 1, 2002 and through June 30, 2003, machines
7 and parts for machines used in commercial, coin-operated
8 amusement and vending business if a use or occupation tax is
9 paid on the gross receipts derived from the use of the
10 commercial, coin-operated amusement and vending machines. This
11 paragraph is exempt from the provisions of Section 3-75.

12 (23) Beginning August 23, 2001 and through June 30, 2016,
13 food for human consumption that is to be consumed off the
14 premises where it is sold (other than alcoholic beverages,
15 soft drinks, and food that has been prepared for immediate
16 consumption) and prescription and nonprescription medicines,
17 drugs, medical appliances, and insulin, urine testing
18 materials, syringes, and needles used by diabetics, for human
19 use, when purchased for use by a person receiving medical
20 assistance under Article V of the Illinois Public Aid Code who
21 resides in a licensed long-term care facility, as defined in
22 the Nursing Home Care Act, or in a licensed facility as defined
23 in the ID/DD Community Care Act, the MC/DD Act, or the
24 Specialized Mental Health Rehabilitation Act of 2013.

25 (24) Beginning on August 2, 2001 (the effective date of
26 Public Act 92-227), computers and communications equipment

1 utilized for any hospital purpose and equipment used in the
2 diagnosis, analysis, or treatment of hospital patients
3 purchased by a lessor who leases the equipment, under a lease
4 of one year or longer executed or in effect at the time the
5 lessor would otherwise be subject to the tax imposed by this
6 Act, to a hospital that has been issued an active tax exemption
7 identification number by the Department under Section 1g of
8 the Retailers' Occupation Tax Act. If the equipment is leased
9 in a manner that does not qualify for this exemption or is used
10 in any other nonexempt manner, the lessor shall be liable for
11 the tax imposed under this Act or the Use Tax Act, as the case
12 may be, based on the fair market value of the property at the
13 time the nonqualifying use occurs. No lessor shall collect or
14 attempt to collect an amount (however designated) that
15 purports to reimburse that lessor for the tax imposed by this
16 Act or the Use Tax Act, as the case may be, if the tax has not
17 been paid by the lessor. If a lessor improperly collects any
18 such amount from the lessee, the lessee shall have a legal
19 right to claim a refund of that amount from the lessor. If,
20 however, that amount is not refunded to the lessee for any
21 reason, the lessor is liable to pay that amount to the
22 Department. This paragraph is exempt from the provisions of
23 Section 3-75.

24 (25) Beginning on August 2, 2001 (the effective date of
25 Public Act 92-227), personal property purchased by a lessor
26 who leases the property, under a lease of one year or longer

1 executed or in effect at the time the lessor would otherwise be
2 subject to the tax imposed by this Act, to a governmental body
3 that has been issued an active tax exemption identification
4 number by the Department under Section 1g of the Retailers'
5 Occupation Tax Act. If the property is leased in a manner that
6 does not qualify for this exemption or is used in any other
7 nonexempt manner, the lessor shall be liable for the tax
8 imposed under this Act or the Use Tax Act, as the case may be,
9 based on the fair market value of the property at the time the
10 nonqualifying use occurs. No lessor shall collect or attempt
11 to collect an amount (however designated) that purports to
12 reimburse that lessor for the tax imposed by this Act or the
13 Use Tax Act, as the case may be, if the tax has not been paid
14 by the lessor. If a lessor improperly collects any such amount
15 from the lessee, the lessee shall have a legal right to claim a
16 refund of that amount from the lessor. If, however, that
17 amount is not refunded to the lessee for any reason, the lessor
18 is liable to pay that amount to the Department. This paragraph
19 is exempt from the provisions of Section 3-75.

20 (26) Beginning January 1, 2008, tangible personal property
21 used in the construction or maintenance of a community water
22 supply, as defined under Section 3.145 of the Environmental
23 Protection Act, that is operated by a not-for-profit
24 corporation that holds a valid water supply permit issued
25 under Title IV of the Environmental Protection Act. This
26 paragraph is exempt from the provisions of Section 3-75.

1 (27) Beginning January 1, 2010 and continuing through
2 December 31, 2029, materials, parts, equipment, components,
3 and furnishings incorporated into or upon an aircraft as part
4 of the modification, refurbishment, completion, replacement,
5 repair, or maintenance of the aircraft. This exemption
6 includes consumable supplies used in the modification,
7 refurbishment, completion, replacement, repair, and
8 maintenance of aircraft. However, until January 1, 2024, this
9 exemption excludes any materials, parts, equipment,
10 components, and consumable supplies used in the modification,
11 replacement, repair, and maintenance of aircraft engines or
12 power plants, whether such engines or power plants are
13 installed or uninstalled upon any such aircraft. "Consumable
14 supplies" include, but are not limited to, adhesive, tape,
15 sandpaper, general purpose lubricants, cleaning solution,
16 latex gloves, and protective films.

17 Beginning January 1, 2010 and continuing through December
18 31, 2023, this exemption applies only to the use of qualifying
19 tangible personal property transferred incident to the
20 modification, refurbishment, completion, replacement, repair,
21 or maintenance of aircraft by persons who (i) hold an Air
22 Agency Certificate and are empowered to operate an approved
23 repair station by the Federal Aviation Administration, (ii)
24 have a Class IV Rating, and (iii) conduct operations in
25 accordance with Part 145 of the Federal Aviation Regulations.
26 From January 1, 2024 through December 31, 2029, this exemption

1 applies only to the use of qualifying tangible personal
2 property by: (A) persons who modify, refurbish, complete,
3 repair, replace, or maintain aircraft and who (i) hold an Air
4 Agency Certificate and are empowered to operate an approved
5 repair station by the Federal Aviation Administration, (ii)
6 have a Class IV Rating, and (iii) conduct operations in
7 accordance with Part 145 of the Federal Aviation Regulations;
8 and (B) persons who engage in the modification, replacement,
9 repair, and maintenance of aircraft engines or power plants
10 without regard to whether or not those persons meet the
11 qualifications of item (A).

12 The exemption does not include aircraft operated by a
13 commercial air carrier providing scheduled passenger air
14 service pursuant to authority issued under Part 121 or Part
15 129 of the Federal Aviation Regulations. The changes made to
16 this paragraph (27) by Public Act 98-534 are declarative of
17 existing law. It is the intent of the General Assembly that the
18 exemption under this paragraph (27) applies continuously from
19 January 1, 2010 through December 31, 2024; however, no claim
20 for credit or refund is allowed for taxes paid as a result of
21 the disallowance of this exemption on or after January 1, 2015
22 and prior to February 5, 2020 (the effective date of Public Act
23 101-629).

24 (28) Tangible personal property purchased by a
25 public-facilities corporation, as described in Section
26 11-65-10 of the Illinois Municipal Code, for purposes of

1 constructing or furnishing a municipal convention hall, but
2 only if the legal title to the municipal convention hall is
3 transferred to the municipality without any further
4 consideration by or on behalf of the municipality at the time
5 of the completion of the municipal convention hall or upon the
6 retirement or redemption of any bonds or other debt
7 instruments issued by the public-facilities corporation in
8 connection with the development of the municipal convention
9 hall. This exemption includes existing public-facilities
10 corporations as provided in Section 11-65-25 of the Illinois
11 Municipal Code. This paragraph is exempt from the provisions
12 of Section 3-75.

13 (29) Beginning January 1, 2017 and through December 31,
14 2026, menstrual pads, tampons, and menstrual cups.

15 (30) Tangible personal property transferred to a purchaser
16 who is exempt from the tax imposed by this Act by operation of
17 federal law. This paragraph is exempt from the provisions of
18 Section 3-75.

19 (31) Qualified tangible personal property used in the
20 construction or operation of a data center that has been
21 granted a certificate of exemption by the Department of
22 Commerce and Economic Opportunity, whether that tangible
23 personal property is purchased by the owner, operator, or
24 tenant of the data center or by a contractor or subcontractor
25 of the owner, operator, or tenant. Data centers that would
26 have qualified for a certificate of exemption prior to January

1 1, 2020 had Public Act 101-31 been in effect, may apply for and
2 obtain an exemption for subsequent purchases of computer
3 equipment or enabling software purchased or leased to upgrade,
4 supplement, or replace computer equipment or enabling software
5 purchased or leased in the original investment that would have
6 qualified.

7 The Department of Commerce and Economic Opportunity shall
8 grant a certificate of exemption under this item (31) to
9 qualified data centers as defined by Section 605-1025 of the
10 Department of Commerce and Economic Opportunity Law of the
11 Civil Administrative Code of Illinois.

12 For the purposes of this item (31):

13 "Data center" means a building or a series of
14 buildings rehabilitated or constructed to house working
15 servers in one physical location or multiple sites within
16 the State of Illinois.

17 "Qualified tangible personal property" means:
18 electrical systems and equipment; climate control and
19 chilling equipment and systems; mechanical systems and
20 equipment; monitoring and secure systems; emergency
21 generators; hardware; computers; servers; data storage
22 devices; network connectivity equipment; racks; cabinets;
23 telecommunications cabling infrastructure; raised floor
24 systems; peripheral components or systems; software;
25 mechanical, electrical, or plumbing systems; battery
26 systems; cooling systems and towers; temperature control

1 systems; other cabling; and other data center
2 infrastructure equipment and systems necessary to operate
3 qualified tangible personal property, including fixtures;
4 and component parts of any of the foregoing, including
5 installation, maintenance, repair, refurbishment, and
6 replacement of qualified tangible personal property to
7 generate, transform, transmit, distribute, or manage
8 electricity necessary to operate qualified tangible
9 personal property; and all other tangible personal
10 property that is essential to the operations of a computer
11 data center. The term "qualified tangible personal
12 property" also includes building materials physically
13 incorporated into ~~in to~~ the qualifying data center. To
14 document the exemption allowed under this Section, the
15 retailer must obtain from the purchaser a copy of the
16 certificate of eligibility issued by the Department of
17 Commerce and Economic Opportunity.

18 This item (31) is exempt from the provisions of Section
19 3-75.

20 (32) Beginning July 1, 2022, breast pumps, breast pump
21 collection and storage supplies, and breast pump kits. This
22 item (32) is exempt from the provisions of Section 3-75. As
23 used in this item (32):

24 "Breast pump" means an electrically controlled or
25 manually controlled pump device designed or marketed to be
26 used to express milk from a human breast during lactation,

1 including the pump device and any battery, AC adapter, or
2 other power supply unit that is used to power the pump
3 device and is packaged and sold with the pump device at the
4 time of sale.

5 "Breast pump collection and storage supplies" means
6 items of tangible personal property designed or marketed
7 to be used in conjunction with a breast pump to collect
8 milk expressed from a human breast and to store collected
9 milk until it is ready for consumption.

10 "Breast pump collection and storage supplies"
11 includes, but is not limited to: breast shields and breast
12 shield connectors; breast pump tubes and tubing adapters;
13 breast pump valves and membranes; backflow protectors and
14 backflow protector adaptors; bottles and bottle caps
15 specific to the operation of the breast pump; and breast
16 milk storage bags.

17 "Breast pump collection and storage supplies" does not
18 include: (1) bottles and bottle caps not specific to the
19 operation of the breast pump; (2) breast pump travel bags
20 and other similar carrying accessories, including ice
21 packs, labels, and other similar products; (3) breast pump
22 cleaning supplies; (4) nursing bras, bra pads, breast
23 shells, and other similar products; and (5) creams,
24 ointments, and other similar products that relieve
25 breastfeeding-related symptoms or conditions of the
26 breasts or nipples, unless sold as part of a breast pump

1 kit that is pre-packaged by the breast pump manufacturer
2 or distributor.

3 "Breast pump kit" means a kit that: (1) contains no
4 more than a breast pump, breast pump collection and
5 storage supplies, a rechargeable battery for operating the
6 breast pump, a breastmilk cooler, bottle stands, ice
7 packs, and a breast pump carrying case; and (2) is
8 pre-packaged as a breast pump kit by the breast pump
9 manufacturer or distributor.

10 (33) Tangible personal property sold by or on behalf of
11 the State Treasurer pursuant to the Revised Uniform Unclaimed
12 Property Act. This item (33) is exempt from the provisions of
13 Section 3-75.

14 (34) Beginning on January 1, 2024, tangible personal
15 property purchased by an active duty member of the armed
16 forces of the United States who presents valid military
17 identification and purchases the property using a form of
18 payment where the federal government is the payor. The member
19 of the armed forces must complete, at the point of sale, a form
20 prescribed by the Department of Revenue documenting that the
21 transaction is eligible for the exemption under this
22 paragraph. Retailers must keep the form as documentation of
23 the exemption in their records for a period of not less than 6
24 years. "Armed forces of the United States" means the United
25 States Army, Navy, Air Force, Marine Corps, or Coast Guard.
26 This paragraph is exempt from the provisions of Section 3-75.

1 (35) Beginning on July 1, 2024, food prepared for
2 immediate consumption and transferred incident to a sale of
3 service subject to this Act or the Service Occupation Tax Act
4 by an entity licensed under the Hospital Licensing Act, the
5 Nursing Home Care Act, the Assisted Living and Shared Housing
6 Act, the ID/DD Community Care Act, the MC/DD Act, the
7 Specialized Mental Health Rehabilitation Act of 2013, or the
8 Child Care Act of 1969 or an entity that holds a permit issued
9 pursuant to the Life Care Facilities Act. This item (35) is
10 exempt from the provisions of Section 3-75.

11 (36) Beginning on July 1, 2024, food for human consumption
12 that is to be consumed off the premises where it is sold (other
13 than alcoholic beverages, food consisting of or infused with
14 adult use cannabis, soft drinks, and food that has been
15 prepared for immediate consumption). This item (36) is exempt
16 from the provisions of Section 3-75.

17 (Source: P.A. 102-16, eff. 6-17-21; 102-700, Article 70,
18 Section 70-10, eff. 4-19-22; 102-700, Article 75, Section
19 75-10, eff. 4-19-22; 102-1026, eff. 5-27-22; 103-9, Article 5,
20 Section 5-10, eff. 6-7-23; 103-9, Article 15, Section 15-10,
21 eff. 6-7-23; 103-154, eff. 6-30-23; 103-384, eff. 1-1-24;
22 revised 12-12-23.)

23 (35 ILCS 110/3-10) (from Ch. 120, par. 439.33-10)

24 Sec. 3-10. Rate of tax. Unless otherwise provided in this
25 Section, the tax imposed by this Act is at the rate of 6.25% of

1 the selling price of tangible personal property transferred as
2 an incident to the sale of service, but, for the purpose of
3 computing this tax, in no event shall the selling price be less
4 than the cost price of the property to the serviceman.

5 Beginning on July 1, 2000 and through December 31, 2000,
6 with respect to motor fuel, as defined in Section 1.1 of the
7 Motor Fuel Tax Law, and gasohol, as defined in Section 3-40 of
8 the Use Tax Act, the tax is imposed at the rate of 1.25%.

9 Beginning 30 days after the effective date of this
10 amendatory Act of the 103rd General Assembly, with respect to:
11 motor fuel, as defined in Section 1.1 of the Motor Fuel Tax
12 Law; gasohol, as defined in Section 3-40 of the Use Tax Act;
13 majority blended ethanol fuel; and biodiesel and biodiesel
14 blends, the tax imposed under this Act may not exceed the cents
15 per gallon rate established by the Department under subsection
16 (e) of Section 2d of the Retailers' Occupation Tax Act. With
17 respect to the tax imposed on biodiesel blends and gasohol,
18 the maximum cents per gallon rate shall include the reduction
19 allowed in subsection (e) of Section 2d of the Retailers'
20 Occupation Tax Act.

21 With respect to gasohol, as defined in the Use Tax Act, the
22 tax imposed by this Act applies to (i) 70% of the selling price
23 of property transferred as an incident to the sale of service
24 on or after January 1, 1990, and before July 1, 2003, (ii) 80%
25 of the selling price of property transferred as an incident to
26 the sale of service on or after July 1, 2003 and on or before

1 July 1, 2017, (iii) 100% of the selling price of property
2 transferred as an incident to the sale of service after July 1,
3 2017 and before January 1, 2024, (iv) 90% of the selling price
4 of property transferred as an incident to the sale of service
5 on or after January 1, 2024 and on or before December 31, 2028,
6 and (v) 100% of the selling price of property transferred as an
7 incident to the sale of service after December 31, 2028. If, at
8 any time, however, the tax under this Act on sales of gasohol,
9 as defined in the Use Tax Act, is imposed at the rate of 1.25%,
10 then the tax imposed by this Act applies to 100% of the
11 proceeds of sales of gasohol made during that time.

12 With respect to mid-range ethanol blends, as defined in
13 Section 3-44.3 of the Use Tax Act, the tax imposed by this Act
14 applies to (i) 80% of the selling price of property
15 transferred as an incident to the sale of service on or after
16 January 1, 2024 and on or before December 31, 2028 and (ii)
17 100% of the selling price of property transferred as an
18 incident to the sale of service after December 31, 2028. If, at
19 any time, however, the tax under this Act on sales of mid-range
20 ethanol blends is imposed at the rate of 1.25%, then the tax
21 imposed by this Act applies to 100% of the selling price of
22 mid-range ethanol blends transferred as an incident to the
23 sale of service during that time.

24 With respect to majority blended ethanol fuel, as defined
25 in the Use Tax Act, the tax imposed by this Act does not apply
26 to the selling price of property transferred as an incident to

1 the sale of service on or after July 1, 2003 and on or before
2 December 31, 2028 but applies to 100% of the selling price
3 thereafter.

4 With respect to biodiesel blends, as defined in the Use
5 Tax Act, with no less than 1% and no more than 10% biodiesel,
6 the tax imposed by this Act applies to (i) 80% of the selling
7 price of property transferred as an incident to the sale of
8 service on or after July 1, 2003 and on or before December 31,
9 2018 and (ii) 100% of the proceeds of the selling price after
10 December 31, 2018 and before January 1, 2024. On and after
11 January 1, 2024 and on or before December 31, 2030, the
12 taxation of biodiesel, renewable diesel, and biodiesel blends
13 shall be as provided in Section 3-5.1 of the Use Tax Act. If,
14 at any time, however, the tax under this Act on sales of
15 biodiesel blends, as defined in the Use Tax Act, with no less
16 than 1% and no more than 10% biodiesel is imposed at the rate
17 of 1.25%, then the tax imposed by this Act applies to 100% of
18 the proceeds of sales of biodiesel blends with no less than 1%
19 and no more than 10% biodiesel made during that time.

20 With respect to biodiesel, as defined in the Use Tax Act,
21 and biodiesel blends, as defined in the Use Tax Act, with more
22 than 10% but no more than 99% biodiesel, the tax imposed by
23 this Act does not apply to the proceeds of the selling price of
24 property transferred as an incident to the sale of service on
25 or after July 1, 2003 and on or before December 31, 2023. On
26 and after January 1, 2024 and on or before December 31, 2030,

1 the taxation of biodiesel, renewable diesel, and biodiesel
2 blends shall be as provided in Section 3-5.1 of the Use Tax
3 Act.

4 At the election of any registered serviceman made for each
5 fiscal year, sales of service in which the aggregate annual
6 cost price of tangible personal property transferred as an
7 incident to the sales of service is less than 35%, or 75% in
8 the case of servicemen transferring prescription drugs or
9 servicemen engaged in graphic arts production, of the
10 aggregate annual total gross receipts from all sales of
11 service, the tax imposed by this Act shall be based on the
12 serviceman's cost price of the tangible personal property
13 transferred as an incident to the sale of those services.

14 Until July 1, 2022 and ~~from beginning again on~~ July 1, 2023
15 through June 30, 2024, the tax shall be imposed at the rate of
16 1% on food prepared for immediate consumption and transferred
17 incident to a sale of service subject to this Act or the
18 Service Occupation Tax Act by an entity licensed under the
19 Hospital Licensing Act, the Nursing Home Care Act, the
20 Assisted Living and Shared Housing Act, the ID/DD Community
21 Care Act, the MC/DD Act, the Specialized Mental Health
22 Rehabilitation Act of 2013, or the Child Care Act of 1969, or
23 an entity that holds a permit issued pursuant to the Life Care
24 Facilities Act. Until July 1, 2022 and ~~from beginning again on~~
25 July 1, 2023 through June 30, 2024, the tax shall also be
26 imposed at the rate of 1% on food for human consumption that is

1 to be consumed off the premises where it is sold (other than
2 alcoholic beverages, food consisting of or infused with adult
3 use cannabis, soft drinks, and food that has been prepared for
4 immediate consumption and is not otherwise included in this
5 paragraph).

6 ~~From Beginning on July 1, 2022 through June 30, 2023, and~~
7 ~~on and after July 1, 2024, and until July 1, 2023, the tax~~
8 ~~shall be imposed at the rate of 0% on~~ food prepared for
9 immediate consumption and transferred incident to a sale of
10 service subject to this Act or the Service Occupation Tax Act
11 by an entity licensed under the Hospital Licensing Act, the
12 Nursing Home Care Act, the Assisted Living and Shared Housing
13 Act, the ID/DD Community Care Act, the MC/DD Act, the
14 Specialized Mental Health Rehabilitation Act of 2013, or the
15 Child Care Act of 1969, or an entity that holds a permit issued
16 pursuant to the Life Care Facilities Act is exempt from the tax
17 under this Act. ~~From Beginning on July 1, 2022 through June 30,~~
18 ~~2023, and on and after July 1, 2024, and until July 1, 2023,~~
19 ~~the tax shall also be imposed at the rate of 0% on~~ food for
20 human consumption that is to be consumed off the premises
21 where it is sold (other than alcoholic beverages, food
22 consisting of or infused with adult use cannabis, soft drinks,
23 and food that has been prepared for immediate consumption and
24 is not otherwise included in this paragraph) is exempt from
25 the tax under this Act.

26 The tax shall also be imposed at the rate of 1% on

1 prescription and nonprescription medicines, drugs, medical
2 appliances, products classified as Class III medical devices
3 by the United States Food and Drug Administration that are
4 used for cancer treatment pursuant to a prescription, as well
5 as any accessories and components related to those devices,
6 modifications to a motor vehicle for the purpose of rendering
7 it usable by a person with a disability, and insulin, blood
8 sugar testing materials, syringes, and needles used by human
9 diabetics. For the purposes of this Section, until September
10 1, 2009: the term "soft drinks" means any complete, finished,
11 ready-to-use, non-alcoholic drink, whether carbonated or not,
12 including, but not limited to, soda water, cola, fruit juice,
13 vegetable juice, carbonated water, and all other preparations
14 commonly known as soft drinks of whatever kind or description
15 that are contained in any closed or sealed bottle, can,
16 carton, or container, regardless of size; but "soft drinks"
17 does not include coffee, tea, non-carbonated water, infant
18 formula, milk or milk products as defined in the Grade A
19 Pasteurized Milk and Milk Products Act, or drinks containing
20 50% or more natural fruit or vegetable juice.

21 Notwithstanding any other provisions of this Act,
22 beginning September 1, 2009, "soft drinks" means non-alcoholic
23 beverages that contain natural or artificial sweeteners. "Soft
24 drinks" does not include beverages that contain milk or milk
25 products, soy, rice or similar milk substitutes, or greater
26 than 50% of vegetable or fruit juice by volume.

1 Until August 1, 2009, and notwithstanding any other
2 provisions of this Act, "food for human consumption that is to
3 be consumed off the premises where it is sold" includes all
4 food sold through a vending machine, except soft drinks and
5 food products that are dispensed hot from a vending machine,
6 regardless of the location of the vending machine. Beginning
7 August 1, 2009, and notwithstanding any other provisions of
8 this Act, "food for human consumption that is to be consumed
9 off the premises where it is sold" includes all food sold
10 through a vending machine, except soft drinks, candy, and food
11 products that are dispensed hot from a vending machine,
12 regardless of the location of the vending machine.

13 Notwithstanding any other provisions of this Act,
14 beginning September 1, 2009, "food for human consumption that
15 is to be consumed off the premises where it is sold" does not
16 include candy. For purposes of this Section, "candy" means a
17 preparation of sugar, honey, or other natural or artificial
18 sweeteners in combination with chocolate, fruits, nuts or
19 other ingredients or flavorings in the form of bars, drops, or
20 pieces. "Candy" does not include any preparation that contains
21 flour or requires refrigeration.

22 Notwithstanding any other provisions of this Act,
23 beginning September 1, 2009, "nonprescription medicines and
24 drugs" does not include grooming and hygiene products. For
25 purposes of this Section, "grooming and hygiene products"
26 includes, but is not limited to, soaps and cleaning solutions,

1 shampoo, toothpaste, mouthwash, antiperspirants, and sun tan
2 lotions and screens, unless those products are available by
3 prescription only, regardless of whether the products meet the
4 definition of "over-the-counter-drugs". For the purposes of
5 this paragraph, "over-the-counter-drug" means a drug for human
6 use that contains a label that identifies the product as a drug
7 as required by 21 CFR 201.66. The "over-the-counter-drug"
8 label includes:

9 (A) a "Drug Facts" panel; or

10 (B) a statement of the "active ingredient(s)" with a
11 list of those ingredients contained in the compound,
12 substance or preparation.

13 Beginning on January 1, 2014 (the effective date of Public
14 Act 98-122), "prescription and nonprescription medicines and
15 drugs" includes medical cannabis purchased from a registered
16 dispensing organization under the Compassionate Use of Medical
17 Cannabis Program Act.

18 As used in this Section, "adult use cannabis" means
19 cannabis subject to tax under the Cannabis Cultivation
20 Privilege Tax Law and the Cannabis Purchaser Excise Tax Law
21 and does not include cannabis subject to tax under the
22 Compassionate Use of Medical Cannabis Program Act.

23 If the property that is acquired from a serviceman is
24 acquired outside Illinois and used outside Illinois before
25 being brought to Illinois for use here and is taxable under
26 this Act, the "selling price" on which the tax is computed

1 shall be reduced by an amount that represents a reasonable
2 allowance for depreciation for the period of prior
3 out-of-state use.

4 (Source: P.A. 102-4, eff. 4-27-21; 102-16, eff. 6-17-21;
5 102-700, Article 20, Section 20-10, eff. 4-19-22; 102-700,
6 Article 60, Section 60-20, eff. 4-19-22; 103-9, eff. 6-7-23;
7 103-154, eff. 6-30-23.)

8 Section 20. The Service Occupation Tax Act is amended by
9 changing Sections 3-5 and 3-10 as follows:

10 (35 ILCS 115/3-5)

11 Sec. 3-5. Exemptions. The following tangible personal
12 property is exempt from the tax imposed by this Act:

13 (1) Personal property sold by a corporation, society,
14 association, foundation, institution, or organization, other
15 than a limited liability company, that is organized and
16 operated as a not-for-profit service enterprise for the
17 benefit of persons 65 years of age or older if the personal
18 property was not purchased by the enterprise for the purpose
19 of resale by the enterprise.

20 (2) Personal property purchased by a not-for-profit
21 Illinois county fair association for use in conducting,
22 operating, or promoting the county fair.

23 (3) Personal property purchased by any not-for-profit arts
24 or cultural organization that establishes, by proof required

1 by the Department by rule, that it has received an exemption
2 under Section 501(c)(3) of the Internal Revenue Code and that
3 is organized and operated primarily for the presentation or
4 support of arts or cultural programming, activities, or
5 services. These organizations include, but are not limited to,
6 music and dramatic arts organizations such as symphony
7 orchestras and theatrical groups, arts and cultural service
8 organizations, local arts councils, visual arts organizations,
9 and media arts organizations. On and after July 1, 2001 (the
10 effective date of Public Act 92-35), however, an entity
11 otherwise eligible for this exemption shall not make tax-free
12 purchases unless it has an active identification number issued
13 by the Department.

14 (4) Legal tender, currency, medallions, or gold or silver
15 coinage issued by the State of Illinois, the government of the
16 United States of America, or the government of any foreign
17 country, and bullion.

18 (5) Until July 1, 2003 and beginning again on September 1,
19 2004 through August 30, 2014, graphic arts machinery and
20 equipment, including repair and replacement parts, both new
21 and used, and including that manufactured on special order or
22 purchased for lease, certified by the purchaser to be used
23 primarily for graphic arts production. Equipment includes
24 chemicals or chemicals acting as catalysts but only if the
25 chemicals or chemicals acting as catalysts effect a direct and
26 immediate change upon a graphic arts product. Beginning on

1 July 1, 2017, graphic arts machinery and equipment is included
2 in the manufacturing and assembling machinery and equipment
3 exemption under Section 2 of this Act.

4 (6) Personal property sold by a teacher-sponsored student
5 organization affiliated with an elementary or secondary school
6 located in Illinois.

7 (7) Farm machinery and equipment, both new and used,
8 including that manufactured on special order, certified by the
9 purchaser to be used primarily for production agriculture or
10 State or federal agricultural programs, including individual
11 replacement parts for the machinery and equipment, including
12 machinery and equipment purchased for lease, and including
13 implements of husbandry defined in Section 1-130 of the
14 Illinois Vehicle Code, farm machinery and agricultural
15 chemical and fertilizer spreaders, and nurse wagons required
16 to be registered under Section 3-809 of the Illinois Vehicle
17 Code, but excluding other motor vehicles required to be
18 registered under the Illinois Vehicle Code. Horticultural
19 polyhouses or hoop houses used for propagating, growing, or
20 overwintering plants shall be considered farm machinery and
21 equipment under this item (7). Agricultural chemical tender
22 tanks and dry boxes shall include units sold separately from a
23 motor vehicle required to be licensed and units sold mounted
24 on a motor vehicle required to be licensed if the selling price
25 of the tender is separately stated.

26 Farm machinery and equipment shall include precision

1 farming equipment that is installed or purchased to be
2 installed on farm machinery and equipment, including, but not
3 limited to, tractors, harvesters, sprayers, planters, seeders,
4 or spreaders. Precision farming equipment includes, but is not
5 limited to, soil testing sensors, computers, monitors,
6 software, global positioning and mapping systems, and other
7 such equipment.

8 Farm machinery and equipment also includes computers,
9 sensors, software, and related equipment used primarily in the
10 computer-assisted operation of production agriculture
11 facilities, equipment, and activities such as, but not limited
12 to, the collection, monitoring, and correlation of animal and
13 crop data for the purpose of formulating animal diets and
14 agricultural chemicals.

15 Beginning on January 1, 2024, farm machinery and equipment
16 also includes electrical power generation equipment used
17 primarily for production agriculture.

18 This item (7) is exempt from the provisions of Section
19 3-55.

20 (8) Until June 30, 2013, fuel and petroleum products sold
21 to or used by an air common carrier, certified by the carrier
22 to be used for consumption, shipment, or storage in the
23 conduct of its business as an air common carrier, for a flight
24 destined for or returning from a location or locations outside
25 the United States without regard to previous or subsequent
26 domestic stopovers.

1 Beginning July 1, 2013, fuel and petroleum products sold
2 to or used by an air carrier, certified by the carrier to be
3 used for consumption, shipment, or storage in the conduct of
4 its business as an air common carrier, for a flight that (i) is
5 engaged in foreign trade or is engaged in trade between the
6 United States and any of its possessions and (ii) transports
7 at least one individual or package for hire from the city of
8 origination to the city of final destination on the same
9 aircraft, without regard to a change in the flight number of
10 that aircraft.

11 (9) Proceeds of mandatory service charges separately
12 stated on customers' bills for the purchase and consumption of
13 food and beverages, to the extent that the proceeds of the
14 service charge are in fact turned over as tips or as a
15 substitute for tips to the employees who participate directly
16 in preparing, serving, hosting or cleaning up the food or
17 beverage function with respect to which the service charge is
18 imposed.

19 (10) Until July 1, 2003, oil field exploration, drilling,
20 and production equipment, including (i) rigs and parts of
21 rigs, rotary rigs, cable tool rigs, and workover rigs, (ii)
22 pipe and tubular goods, including casing and drill strings,
23 (iii) pumps and pump-jack units, (iv) storage tanks and flow
24 lines, (v) any individual replacement part for oil field
25 exploration, drilling, and production equipment, and (vi)
26 machinery and equipment purchased for lease; but excluding

1 motor vehicles required to be registered under the Illinois
2 Vehicle Code.

3 (11) Photoprocessing machinery and equipment, including
4 repair and replacement parts, both new and used, including
5 that manufactured on special order, certified by the purchaser
6 to be used primarily for photoprocessing, and including
7 photoprocessing machinery and equipment purchased for lease.

8 (12) Until July 1, 2028, coal and aggregate exploration,
9 mining, off-highway hauling, processing, maintenance, and
10 reclamation equipment, including replacement parts and
11 equipment, and including equipment purchased for lease, but
12 excluding motor vehicles required to be registered under the
13 Illinois Vehicle Code. The changes made to this Section by
14 Public Act 97-767 apply on and after July 1, 2003, but no claim
15 for credit or refund is allowed on or after August 16, 2013
16 (the effective date of Public Act 98-456) for such taxes paid
17 during the period beginning July 1, 2003 and ending on August
18 16, 2013 (the effective date of Public Act 98-456).

19 (13) Beginning January 1, 1992 and through June 30, 2016,
20 food for human consumption that is to be consumed off the
21 premises where it is sold (other than alcoholic beverages,
22 soft drinks and food that has been prepared for immediate
23 consumption) and prescription and non-prescription medicines,
24 drugs, medical appliances, and insulin, urine testing
25 materials, syringes, and needles used by diabetics, for human
26 use, when purchased for use by a person receiving medical

1 assistance under Article V of the Illinois Public Aid Code who
2 resides in a licensed long-term care facility, as defined in
3 the Nursing Home Care Act, or in a licensed facility as defined
4 in the ID/DD Community Care Act, the MC/DD Act, or the
5 Specialized Mental Health Rehabilitation Act of 2013.

6 (14) Semen used for artificial insemination of livestock
7 for direct agricultural production.

8 (15) Horses, or interests in horses, registered with and
9 meeting the requirements of any of the Arabian Horse Club
10 Registry of America, Appaloosa Horse Club, American Quarter
11 Horse Association, United States Trotting Association, or
12 Jockey Club, as appropriate, used for purposes of breeding or
13 racing for prizes. This item (15) is exempt from the
14 provisions of Section 3-55, and the exemption provided for
15 under this item (15) applies for all periods beginning May 30,
16 1995, but no claim for credit or refund is allowed on or after
17 January 1, 2008 (the effective date of Public Act 95-88) for
18 such taxes paid during the period beginning May 30, 2000 and
19 ending on January 1, 2008 (the effective date of Public Act
20 95-88).

21 (16) Computers and communications equipment utilized for
22 any hospital purpose and equipment used in the diagnosis,
23 analysis, or treatment of hospital patients sold to a lessor
24 who leases the equipment, under a lease of one year or longer
25 executed or in effect at the time of the purchase, to a
26 hospital that has been issued an active tax exemption

1 identification number by the Department under Section 1g of
2 the Retailers' Occupation Tax Act.

3 (17) Personal property sold to a lessor who leases the
4 property, under a lease of one year or longer executed or in
5 effect at the time of the purchase, to a governmental body that
6 has been issued an active tax exemption identification number
7 by the Department under Section 1g of the Retailers'
8 Occupation Tax Act.

9 (18) Beginning with taxable years ending on or after
10 December 31, 1995 and ending with taxable years ending on or
11 before December 31, 2004, personal property that is donated
12 for disaster relief to be used in a State or federally declared
13 disaster area in Illinois or bordering Illinois by a
14 manufacturer or retailer that is registered in this State to a
15 corporation, society, association, foundation, or institution
16 that has been issued a sales tax exemption identification
17 number by the Department that assists victims of the disaster
18 who reside within the declared disaster area.

19 (19) Beginning with taxable years ending on or after
20 December 31, 1995 and ending with taxable years ending on or
21 before December 31, 2004, personal property that is used in
22 the performance of infrastructure repairs in this State,
23 including, but not limited to, municipal roads and streets,
24 access roads, bridges, sidewalks, waste disposal systems,
25 water and sewer line extensions, water distribution and
26 purification facilities, storm water drainage and retention

1 facilities, and sewage treatment facilities, resulting from a
2 State or federally declared disaster in Illinois or bordering
3 Illinois when such repairs are initiated on facilities located
4 in the declared disaster area within 6 months after the
5 disaster.

6 (20) Beginning July 1, 1999, game or game birds sold at a
7 "game breeding and hunting preserve area" as that term is used
8 in the Wildlife Code. This paragraph is exempt from the
9 provisions of Section 3-55.

10 (21) A motor vehicle, as that term is defined in Section
11 1-146 of the Illinois Vehicle Code, that is donated to a
12 corporation, limited liability company, society, association,
13 foundation, or institution that is determined by the
14 Department to be organized and operated exclusively for
15 educational purposes. For purposes of this exemption, "a
16 corporation, limited liability company, society, association,
17 foundation, or institution organized and operated exclusively
18 for educational purposes" means all tax-supported public
19 schools, private schools that offer systematic instruction in
20 useful branches of learning by methods common to public
21 schools and that compare favorably in their scope and
22 intensity with the course of study presented in tax-supported
23 schools, and vocational or technical schools or institutes
24 organized and operated exclusively to provide a course of
25 study of not less than 6 weeks duration and designed to prepare
26 individuals to follow a trade or to pursue a manual,

1 technical, mechanical, industrial, business, or commercial
2 occupation.

3 (22) Beginning January 1, 2000, personal property,
4 including food, purchased through fundraising events for the
5 benefit of a public or private elementary or secondary school,
6 a group of those schools, or one or more school districts if
7 the events are sponsored by an entity recognized by the school
8 district that consists primarily of volunteers and includes
9 parents and teachers of the school children. This paragraph
10 does not apply to fundraising events (i) for the benefit of
11 private home instruction or (ii) for which the fundraising
12 entity purchases the personal property sold at the events from
13 another individual or entity that sold the property for the
14 purpose of resale by the fundraising entity and that profits
15 from the sale to the fundraising entity. This paragraph is
16 exempt from the provisions of Section 3-55.

17 (23) Beginning January 1, 2000 and through December 31,
18 2001, new or used automatic vending machines that prepare and
19 serve hot food and beverages, including coffee, soup, and
20 other items, and replacement parts for these machines.
21 Beginning January 1, 2002 and through June 30, 2003, machines
22 and parts for machines used in commercial, coin-operated
23 amusement and vending business if a use or occupation tax is
24 paid on the gross receipts derived from the use of the
25 commercial, coin-operated amusement and vending machines. This
26 paragraph is exempt from the provisions of Section 3-55.

1 (24) Beginning on August 2, 2001 (the effective date of
2 Public Act 92-227), computers and communications equipment
3 utilized for any hospital purpose and equipment used in the
4 diagnosis, analysis, or treatment of hospital patients sold to
5 a lessor who leases the equipment, under a lease of one year or
6 longer executed or in effect at the time of the purchase, to a
7 hospital that has been issued an active tax exemption
8 identification number by the Department under Section 1g of
9 the Retailers' Occupation Tax Act. This paragraph is exempt
10 from the provisions of Section 3-55.

11 (25) Beginning on August 2, 2001 (the effective date of
12 Public Act 92-227), personal property sold to a lessor who
13 leases the property, under a lease of one year or longer
14 executed or in effect at the time of the purchase, to a
15 governmental body that has been issued an active tax exemption
16 identification number by the Department under Section 1g of
17 the Retailers' Occupation Tax Act. This paragraph is exempt
18 from the provisions of Section 3-55.

19 (26) Beginning on January 1, 2002 and through June 30,
20 2016, tangible personal property purchased from an Illinois
21 retailer by a taxpayer engaged in centralized purchasing
22 activities in Illinois who will, upon receipt of the property
23 in Illinois, temporarily store the property in Illinois (i)
24 for the purpose of subsequently transporting it outside this
25 State for use or consumption thereafter solely outside this
26 State or (ii) for the purpose of being processed, fabricated,

1 or manufactured into, attached to, or incorporated into other
2 tangible personal property to be transported outside this
3 State and thereafter used or consumed solely outside this
4 State. The Director of Revenue shall, pursuant to rules
5 adopted in accordance with the Illinois Administrative
6 Procedure Act, issue a permit to any taxpayer in good standing
7 with the Department who is eligible for the exemption under
8 this paragraph (26). The permit issued under this paragraph
9 (26) shall authorize the holder, to the extent and in the
10 manner specified in the rules adopted under this Act, to
11 purchase tangible personal property from a retailer exempt
12 from the taxes imposed by this Act. Taxpayers shall maintain
13 all necessary books and records to substantiate the use and
14 consumption of all such tangible personal property outside of
15 the State of Illinois.

16 (27) Beginning January 1, 2008, tangible personal property
17 used in the construction or maintenance of a community water
18 supply, as defined under Section 3.145 of the Environmental
19 Protection Act, that is operated by a not-for-profit
20 corporation that holds a valid water supply permit issued
21 under Title IV of the Environmental Protection Act. This
22 paragraph is exempt from the provisions of Section 3-55.

23 (28) Tangible personal property sold to a
24 public-facilities corporation, as described in Section
25 11-65-10 of the Illinois Municipal Code, for purposes of
26 constructing or furnishing a municipal convention hall, but

1 only if the legal title to the municipal convention hall is
2 transferred to the municipality without any further
3 consideration by or on behalf of the municipality at the time
4 of the completion of the municipal convention hall or upon the
5 retirement or redemption of any bonds or other debt
6 instruments issued by the public-facilities corporation in
7 connection with the development of the municipal convention
8 hall. This exemption includes existing public-facilities
9 corporations as provided in Section 11-65-25 of the Illinois
10 Municipal Code. This paragraph is exempt from the provisions
11 of Section 3-55.

12 (29) Beginning January 1, 2010 and continuing through
13 December 31, 2029, materials, parts, equipment, components,
14 and furnishings incorporated into or upon an aircraft as part
15 of the modification, refurbishment, completion, replacement,
16 repair, or maintenance of the aircraft. This exemption
17 includes consumable supplies used in the modification,
18 refurbishment, completion, replacement, repair, and
19 maintenance of aircraft. However, until January 1, 2024, this
20 exemption excludes any materials, parts, equipment,
21 components, and consumable supplies used in the modification,
22 replacement, repair, and maintenance of aircraft engines or
23 power plants, whether such engines or power plants are
24 installed or uninstalled upon any such aircraft. "Consumable
25 supplies" include, but are not limited to, adhesive, tape,
26 sandpaper, general purpose lubricants, cleaning solution,

1 latex gloves, and protective films.

2 Beginning January 1, 2010 and continuing through December
3 31, 2023, this exemption applies only to the transfer of
4 qualifying tangible personal property incident to the
5 modification, refurbishment, completion, replacement, repair,
6 or maintenance of an aircraft by persons who (i) hold an Air
7 Agency Certificate and are empowered to operate an approved
8 repair station by the Federal Aviation Administration, (ii)
9 have a Class IV Rating, and (iii) conduct operations in
10 accordance with Part 145 of the Federal Aviation Regulations.
11 The exemption does not include aircraft operated by a
12 commercial air carrier providing scheduled passenger air
13 service pursuant to authority issued under Part 121 or Part
14 129 of the Federal Aviation Regulations. From January 1, 2024
15 through December 31, 2029, this exemption applies only to the
16 use of qualifying tangible personal property by: (A) persons
17 who modify, refurbish, complete, repair, replace, or maintain
18 aircraft and who (i) hold an Air Agency Certificate and are
19 empowered to operate an approved repair station by the Federal
20 Aviation Administration, (ii) have a Class IV Rating, and
21 (iii) conduct operations in accordance with Part 145 of the
22 Federal Aviation Regulations; and (B) persons who engage in
23 the modification, replacement, repair, and maintenance of
24 aircraft engines or power plants without regard to whether or
25 not those persons meet the qualifications of item (A).

26 The changes made to this paragraph (29) by Public Act

1 98-534 are declarative of existing law. It is the intent of the
2 General Assembly that the exemption under this paragraph (29)
3 applies continuously from January 1, 2010 through December 31,
4 2024; however, no claim for credit or refund is allowed for
5 taxes paid as a result of the disallowance of this exemption on
6 or after January 1, 2015 and prior to February 5, 2020 (the
7 effective date of Public Act 101-629).

8 (30) Beginning January 1, 2017 and through December 31,
9 2026, menstrual pads, tampons, and menstrual cups.

10 (31) Tangible personal property transferred to a purchaser
11 who is exempt from tax by operation of federal law. This
12 paragraph is exempt from the provisions of Section 3-55.

13 (32) Qualified tangible personal property used in the
14 construction or operation of a data center that has been
15 granted a certificate of exemption by the Department of
16 Commerce and Economic Opportunity, whether that tangible
17 personal property is purchased by the owner, operator, or
18 tenant of the data center or by a contractor or subcontractor
19 of the owner, operator, or tenant. Data centers that would
20 have qualified for a certificate of exemption prior to January
21 1, 2020 had Public Act 101-31 been in effect, may apply for and
22 obtain an exemption for subsequent purchases of computer
23 equipment or enabling software purchased or leased to upgrade,
24 supplement, or replace computer equipment or enabling software
25 purchased or leased in the original investment that would have
26 qualified.

1 The Department of Commerce and Economic Opportunity shall
2 grant a certificate of exemption under this item (32) to
3 qualified data centers as defined by Section 605-1025 of the
4 Department of Commerce and Economic Opportunity Law of the
5 Civil Administrative Code of Illinois.

6 For the purposes of this item (32):

7 "Data center" means a building or a series of
8 buildings rehabilitated or constructed to house working
9 servers in one physical location or multiple sites within
10 the State of Illinois.

11 "Qualified tangible personal property" means:
12 electrical systems and equipment; climate control and
13 chilling equipment and systems; mechanical systems and
14 equipment; monitoring and secure systems; emergency
15 generators; hardware; computers; servers; data storage
16 devices; network connectivity equipment; racks; cabinets;
17 telecommunications cabling infrastructure; raised floor
18 systems; peripheral components or systems; software;
19 mechanical, electrical, or plumbing systems; battery
20 systems; cooling systems and towers; temperature control
21 systems; other cabling; and other data center
22 infrastructure equipment and systems necessary to operate
23 qualified tangible personal property, including fixtures;
24 and component parts of any of the foregoing, including
25 installation, maintenance, repair, refurbishment, and
26 replacement of qualified tangible personal property to

1 generate, transform, transmit, distribute, or manage
2 electricity necessary to operate qualified tangible
3 personal property; and all other tangible personal
4 property that is essential to the operations of a computer
5 data center. The term "qualified tangible personal
6 property" also includes building materials physically
7 incorporated into ~~in to~~ the qualifying data center. To
8 document the exemption allowed under this Section, the
9 retailer must obtain from the purchaser a copy of the
10 certificate of eligibility issued by the Department of
11 Commerce and Economic Opportunity.

12 This item (32) is exempt from the provisions of Section
13 3-55.

14 (33) Beginning July 1, 2022, breast pumps, breast pump
15 collection and storage supplies, and breast pump kits. This
16 item (33) is exempt from the provisions of Section 3-55. As
17 used in this item (33):

18 "Breast pump" means an electrically controlled or
19 manually controlled pump device designed or marketed to be
20 used to express milk from a human breast during lactation,
21 including the pump device and any battery, AC adapter, or
22 other power supply unit that is used to power the pump
23 device and is packaged and sold with the pump device at the
24 time of sale.

25 "Breast pump collection and storage supplies" means
26 items of tangible personal property designed or marketed

1 to be used in conjunction with a breast pump to collect
2 milk expressed from a human breast and to store collected
3 milk until it is ready for consumption.

4 "Breast pump collection and storage supplies"
5 includes, but is not limited to: breast shields and breast
6 shield connectors; breast pump tubes and tubing adapters;
7 breast pump valves and membranes; backflow protectors and
8 backflow protector adaptors; bottles and bottle caps
9 specific to the operation of the breast pump; and breast
10 milk storage bags.

11 "Breast pump collection and storage supplies" does not
12 include: (1) bottles and bottle caps not specific to the
13 operation of the breast pump; (2) breast pump travel bags
14 and other similar carrying accessories, including ice
15 packs, labels, and other similar products; (3) breast pump
16 cleaning supplies; (4) nursing bras, bra pads, breast
17 shells, and other similar products; and (5) creams,
18 ointments, and other similar products that relieve
19 breastfeeding-related symptoms or conditions of the
20 breasts or nipples, unless sold as part of a breast pump
21 kit that is pre-packaged by the breast pump manufacturer
22 or distributor.

23 "Breast pump kit" means a kit that: (1) contains no
24 more than a breast pump, breast pump collection and
25 storage supplies, a rechargeable battery for operating the
26 breast pump, a breastmilk cooler, bottle stands, ice

1 packs, and a breast pump carrying case; and (2) is
2 pre-packaged as a breast pump kit by the breast pump
3 manufacturer or distributor.

4 (34) Tangible personal property sold by or on behalf of
5 the State Treasurer pursuant to the Revised Uniform Unclaimed
6 Property Act. This item (34) is exempt from the provisions of
7 Section 3-55.

8 (35) Beginning on January 1, 2024, tangible personal
9 property purchased by an active duty member of the armed
10 forces of the United States who presents valid military
11 identification and purchases the property using a form of
12 payment where the federal government is the payor. The member
13 of the armed forces must complete, at the point of sale, a form
14 prescribed by the Department of Revenue documenting that the
15 transaction is eligible for the exemption under this
16 paragraph. Retailers must keep the form as documentation of
17 the exemption in their records for a period of not less than 6
18 years. "Armed forces of the United States" means the United
19 States Army, Navy, Air Force, Marine Corps, or Coast Guard.
20 This paragraph is exempt from the provisions of Section 3-55.

21 (36) Beginning on July 1, 2024, food prepared for
22 immediate consumption and transferred incident to a sale of
23 service subject to this Act or the Service Occupation Tax Act
24 by an entity licensed under the Hospital Licensing Act, the
25 Nursing Home Care Act, the Assisted Living and Shared Housing
26 Act, the ID/DD Community Care Act, the MC/DD Act, the

1 Specialized Mental Health Rehabilitation Act of 2013, or the
2 Child Care Act of 1969 or an entity that holds a permit issued
3 pursuant to the Life Care Facilities Act. This item (36) is
4 exempt from the provisions of Section 3-55.

5 (37) Beginning on July 1, 2024, food for human consumption
6 that is to be consumed off the premises where it is sold (other
7 than alcoholic beverages, food consisting of or infused with
8 adult use cannabis, soft drinks, and food that has been
9 prepared for immediate consumption) This item (37) is exempt
10 from the provisions of Section 3-55.

11 (Source: P.A. 102-16, eff. 6-17-21; 102-700, Article 70,
12 Section 70-15, eff. 4-19-22; 102-700, Article 75, Section
13 75-15, eff. 4-19-22; 102-1026, eff. 5-27-22; 103-9, Article 5,
14 Section 5-15, eff. 6-7-23; 103-9, Article 15, Section 15-15,
15 eff. 6-7-23; 103-154, eff. 6-30-23; 103-384, eff. 1-1-24;
16 revised 12-12-23.)

17 (35 ILCS 115/3-10) (from Ch. 120, par. 439.103-10)

18 Sec. 3-10. Rate of tax. Unless otherwise provided in this
19 Section, the tax imposed by this Act is at the rate of 6.25% of
20 the "selling price", as defined in Section 2 of the Service Use
21 Tax Act, of the tangible personal property. For the purpose of
22 computing this tax, in no event shall the "selling price" be
23 less than the cost price to the serviceman of the tangible
24 personal property transferred. The selling price of each item
25 of tangible personal property transferred as an incident of a

1 sale of service may be shown as a distinct and separate item on
2 the serviceman's billing to the service customer. If the
3 selling price is not so shown, the selling price of the
4 tangible personal property is deemed to be 50% of the
5 serviceman's entire billing to the service customer. When,
6 however, a serviceman contracts to design, develop, and
7 produce special order machinery or equipment, the tax imposed
8 by this Act shall be based on the serviceman's cost price of
9 the tangible personal property transferred incident to the
10 completion of the contract.

11 Beginning on July 1, 2000 and through December 31, 2000,
12 with respect to motor fuel, as defined in Section 1.1 of the
13 Motor Fuel Tax Law, and gasohol, as defined in Section 3-40 of
14 the Use Tax Act, the tax is imposed at the rate of 1.25%.

15 Beginning 30 days after the effective date of this
16 amendatory Act of the 103rd General Assembly, with respect to:
17 motor fuel, as defined in Section 1.1 of the Motor Fuel Tax
18 Law; gasohol, as defined in Section 3-40 of the Use Tax Act;
19 majority blended ethanol fuel; and biodiesel and biodiesel
20 blends, the tax imposed under this Act may not exceed the cents
21 per gallon rate established by the Department under subsection
22 (e) of Section 2d of the Retailers' Occupation Tax Act. With
23 respect to the tax imposed on biodiesel blends and gasohol,
24 the maximum cents per gallon rate shall include the reduction
25 allowed in subsection (e) of Section 2d of the Retailers'
26 Occupation Tax Act.

1 With respect to gasohol, as defined in the Use Tax Act, the
2 tax imposed by this Act shall apply to (i) 70% of the cost
3 price of property transferred as an incident to the sale of
4 service on or after January 1, 1990, and before July 1, 2003,
5 (ii) 80% of the selling price of property transferred as an
6 incident to the sale of service on or after July 1, 2003 and on
7 or before July 1, 2017, (iii) 100% of the selling price of
8 property transferred as an incident to the sale of service
9 after July 1, 2017 and prior to January 1, 2024, (iv) 90% of
10 the selling price of property transferred as an incident to
11 the sale of service on or after January 1, 2024 and on or
12 before December 31, 2028, and (v) 100% of the selling price of
13 property transferred as an incident to the sale of service
14 after December 31, 2028. If, at any time, however, the tax
15 under this Act on sales of gasohol, as defined in the Use Tax
16 Act, is imposed at the rate of 1.25%, then the tax imposed by
17 this Act applies to 100% of the proceeds of sales of gasohol
18 made during that time.

19 With respect to mid-range ethanol blends, as defined in
20 Section 3-44.3 of the Use Tax Act, the tax imposed by this Act
21 applies to (i) 80% of the selling price of property
22 transferred as an incident to the sale of service on or after
23 January 1, 2024 and on or before December 31, 2028 and (ii)
24 100% of the selling price of property transferred as an
25 incident to the sale of service after December 31, 2028. If, at
26 any time, however, the tax under this Act on sales of mid-range

1 ethanol blends is imposed at the rate of 1.25%, then the tax
2 imposed by this Act applies to 100% of the selling price of
3 mid-range ethanol blends transferred as an incident to the
4 sale of service during that time.

5 With respect to majority blended ethanol fuel, as defined
6 in the Use Tax Act, the tax imposed by this Act does not apply
7 to the selling price of property transferred as an incident to
8 the sale of service on or after July 1, 2003 and on or before
9 December 31, 2028 but applies to 100% of the selling price
10 thereafter.

11 With respect to biodiesel blends, as defined in the Use
12 Tax Act, with no less than 1% and no more than 10% biodiesel,
13 the tax imposed by this Act applies to (i) 80% of the selling
14 price of property transferred as an incident to the sale of
15 service on or after July 1, 2003 and on or before December 31,
16 2018 and (ii) 100% of the proceeds of the selling price after
17 December 31, 2018 and before January 1, 2024. On and after
18 January 1, 2024 and on or before December 31, 2030, the
19 taxation of biodiesel, renewable diesel, and biodiesel blends
20 shall be as provided in Section 3-5.1 of the Use Tax Act. If,
21 at any time, however, the tax under this Act on sales of
22 biodiesel blends, as defined in the Use Tax Act, with no less
23 than 1% and no more than 10% biodiesel is imposed at the rate
24 of 1.25%, then the tax imposed by this Act applies to 100% of
25 the proceeds of sales of biodiesel blends with no less than 1%
26 and no more than 10% biodiesel made during that time.

1 With respect to biodiesel, as defined in the Use Tax Act,
2 and biodiesel blends, as defined in the Use Tax Act, with more
3 than 10% but no more than 99% biodiesel material, the tax
4 imposed by this Act does not apply to the proceeds of the
5 selling price of property transferred as an incident to the
6 sale of service on or after July 1, 2003 and on or before
7 December 31, 2023. On and after January 1, 2024 and on or
8 before December 31, 2030, the taxation of biodiesel, renewable
9 diesel, and biodiesel blends shall be as provided in Section
10 3-5.1 of the Use Tax Act.

11 At the election of any registered serviceman made for each
12 fiscal year, sales of service in which the aggregate annual
13 cost price of tangible personal property transferred as an
14 incident to the sales of service is less than 35%, or 75% in
15 the case of servicemen transferring prescription drugs or
16 servicemen engaged in graphic arts production, of the
17 aggregate annual total gross receipts from all sales of
18 service, the tax imposed by this Act shall be based on the
19 serviceman's cost price of the tangible personal property
20 transferred incident to the sale of those services.

21 Until July 1, 2022 and from beginning again on July 1, 2023
22 through June 30, 2024, the tax shall be imposed at the rate of
23 1% on food prepared for immediate consumption and transferred
24 incident to a sale of service subject to this Act or the
25 Service Use Tax Act by an entity licensed under the Hospital
26 Licensing Act, the Nursing Home Care Act, the Assisted Living

1 and Shared Housing Act, the ID/DD Community Care Act, the
2 MC/DD Act, the Specialized Mental Health Rehabilitation Act of
3 2013, or the Child Care Act of 1969⁷, or an entity that holds a
4 permit issued pursuant to the Life Care Facilities Act. Until
5 July 1, 2022 and from beginning again on July 1, 2023 through
6 June 30, 2024, the tax shall also be imposed at the rate of 1%
7 on food for human consumption that is to be consumed off the
8 premises where it is sold (other than alcoholic beverages,
9 food consisting of or infused with adult use cannabis, soft
10 drinks, and food that has been prepared for immediate
11 consumption and is not otherwise included in this paragraph).

12 From Beginning on July 1, 2022 through June 30, 2023, and
13 on and after July 1, 2024, and until July 1, 2023, the tax
14 shall be imposed at the rate of 0% on food prepared for
15 immediate consumption and transferred incident to a sale of
16 service subject to this Act or the Service Use Tax Act by an
17 entity licensed under the Hospital Licensing Act, the Nursing
18 Home Care Act, the Assisted Living and Shared Housing Act, the
19 ID/DD Community Care Act, the MC/DD Act, the Specialized
20 Mental Health Rehabilitation Act of 2013, or the Child Care
21 Act of 1969⁷ or an entity that holds a permit issued pursuant
22 to the Life Care Facilities Act is exempt from the tax imposed
23 by this Act. From Beginning July 1, 2022 through June 30, 2023,
24 and on and after July 1, 2024, and until July 1, 2023, the tax
25 shall also be imposed at the rate of 0% on food for human
26 consumption that is to be consumed off the premises where it is

1 sold (other than alcoholic beverages, food consisting of or
2 infused with adult use cannabis, soft drinks, and food that
3 has been prepared for immediate consumption and is not
4 otherwise included in this paragraph) is exempt from the tax
5 imposed by this Act.

6 The tax shall also be imposed at the rate of 1% on
7 prescription and nonprescription medicines, drugs, medical
8 appliances, products classified as Class III medical devices
9 by the United States Food and Drug Administration that are
10 used for cancer treatment pursuant to a prescription, as well
11 as any accessories and components related to those devices,
12 modifications to a motor vehicle for the purpose of rendering
13 it usable by a person with a disability, and insulin, blood
14 sugar testing materials, syringes, and needles used by human
15 diabetics. For the purposes of this Section, until September
16 1, 2009: the term "soft drinks" means any complete, finished,
17 ready-to-use, non-alcoholic drink, whether carbonated or not,
18 including, but not limited to, soda water, cola, fruit juice,
19 vegetable juice, carbonated water, and all other preparations
20 commonly known as soft drinks of whatever kind or description
21 that are contained in any closed or sealed can, carton, or
22 container, regardless of size; but "soft drinks" does not
23 include coffee, tea, non-carbonated water, infant formula,
24 milk or milk products as defined in the Grade A Pasteurized
25 Milk and Milk Products Act, or drinks containing 50% or more
26 natural fruit or vegetable juice.

1 Notwithstanding any other provisions of this Act,
2 beginning September 1, 2009, "soft drinks" means non-alcoholic
3 beverages that contain natural or artificial sweeteners. "Soft
4 drinks" does not include beverages that contain milk or milk
5 products, soy, rice or similar milk substitutes, or greater
6 than 50% of vegetable or fruit juice by volume.

7 Until August 1, 2009, and notwithstanding any other
8 provisions of this Act, "food for human consumption that is to
9 be consumed off the premises where it is sold" includes all
10 food sold through a vending machine, except soft drinks and
11 food products that are dispensed hot from a vending machine,
12 regardless of the location of the vending machine. Beginning
13 August 1, 2009, and notwithstanding any other provisions of
14 this Act, "food for human consumption that is to be consumed
15 off the premises where it is sold" includes all food sold
16 through a vending machine, except soft drinks, candy, and food
17 products that are dispensed hot from a vending machine,
18 regardless of the location of the vending machine.

19 Notwithstanding any other provisions of this Act,
20 beginning September 1, 2009, "food for human consumption that
21 is to be consumed off the premises where it is sold" does not
22 include candy. For purposes of this Section, "candy" means a
23 preparation of sugar, honey, or other natural or artificial
24 sweeteners in combination with chocolate, fruits, nuts or
25 other ingredients or flavorings in the form of bars, drops, or
26 pieces. "Candy" does not include any preparation that contains

1 flour or requires refrigeration.

2 Notwithstanding any other provisions of this Act,
3 beginning September 1, 2009, "nonprescription medicines and
4 drugs" does not include grooming and hygiene products. For
5 purposes of this Section, "grooming and hygiene products"
6 includes, but is not limited to, soaps and cleaning solutions,
7 shampoo, toothpaste, mouthwash, antiperspirants, and sun tan
8 lotions and screens, unless those products are available by
9 prescription only, regardless of whether the products meet the
10 definition of "over-the-counter-drugs". For the purposes of
11 this paragraph, "over-the-counter-drug" means a drug for human
12 use that contains a label that identifies the product as a drug
13 as required by 21 CFR 201.66. The "over-the-counter-drug"
14 label includes:

15 (A) a "Drug Facts" panel; or

16 (B) a statement of the "active ingredient(s)" with a
17 list of those ingredients contained in the compound,
18 substance or preparation.

19 Beginning on January 1, 2014 (the effective date of Public
20 Act 98-122), "prescription and nonprescription medicines and
21 drugs" includes medical cannabis purchased from a registered
22 dispensing organization under the Compassionate Use of Medical
23 Cannabis Program Act.

24 As used in this Section, "adult use cannabis" means
25 cannabis subject to tax under the Cannabis Cultivation
26 Privilege Tax Law and the Cannabis Purchaser Excise Tax Law

1 and does not include cannabis subject to tax under the
2 Compassionate Use of Medical Cannabis Program Act.

3 (Source: P.A. 102-4, eff. 4-27-21; 102-16, eff. 6-17-21;
4 102-700, Article 20, Section 20-15, eff. 4-19-22; 102-700,
5 Article 60, Section 60-25, eff. 4-19-22; 103-9, eff. 6-7-23;
6 103-154, eff. 6-30-23.)

7 Section 25. The Retailers' Occupation Tax Act is amended
8 by changing Sections 2-5 and 2-10 as follows:

9 (35 ILCS 120/2-5)

10 Sec. 2-5. Exemptions. Gross receipts from proceeds from
11 the sale of the following tangible personal property are
12 exempt from the tax imposed by this Act:

13 (1) Farm chemicals.

14 (2) Farm machinery and equipment, both new and used,
15 including that manufactured on special order, certified by
16 the purchaser to be used primarily for production
17 agriculture or State or federal agricultural programs,
18 including individual replacement parts for the machinery
19 and equipment, including machinery and equipment purchased
20 for lease, and including implements of husbandry defined
21 in Section 1-130 of the Illinois Vehicle Code, farm
22 machinery and agricultural chemical and fertilizer
23 spreaders, and nurse wagons required to be registered
24 under Section 3-809 of the Illinois Vehicle Code, but

1 excluding other motor vehicles required to be registered
2 under the Illinois Vehicle Code. Horticultural polyhouses
3 or hoop houses used for propagating, growing, or
4 overwintering plants shall be considered farm machinery
5 and equipment under this item (2). Agricultural chemical
6 tender tanks and dry boxes shall include units sold
7 separately from a motor vehicle required to be licensed
8 and units sold mounted on a motor vehicle required to be
9 licensed, if the selling price of the tender is separately
10 stated.

11 Farm machinery and equipment shall include precision
12 farming equipment that is installed or purchased to be
13 installed on farm machinery and equipment including, but
14 not limited to, tractors, harvesters, sprayers, planters,
15 seeders, or spreaders. Precision farming equipment
16 includes, but is not limited to, soil testing sensors,
17 computers, monitors, software, global positioning and
18 mapping systems, and other such equipment.

19 Farm machinery and equipment also includes computers,
20 sensors, software, and related equipment used primarily in
21 the computer-assisted operation of production agriculture
22 facilities, equipment, and activities such as, but not
23 limited to, the collection, monitoring, and correlation of
24 animal and crop data for the purpose of formulating animal
25 diets and agricultural chemicals.

26 Beginning on January 1, 2024, farm machinery and

1 equipment also includes electrical power generation
2 equipment used primarily for production agriculture.

3 This item (2) is exempt from the provisions of Section
4 2-70.

5 (3) Until July 1, 2003, distillation machinery and
6 equipment, sold as a unit or kit, assembled or installed
7 by the retailer, certified by the user to be used only for
8 the production of ethyl alcohol that will be used for
9 consumption as motor fuel or as a component of motor fuel
10 for the personal use of the user, and not subject to sale
11 or resale.

12 (4) Until July 1, 2003 and beginning again September
13 1, 2004 through August 30, 2014, graphic arts machinery
14 and equipment, including repair and replacement parts,
15 both new and used, and including that manufactured on
16 special order or purchased for lease, certified by the
17 purchaser to be used primarily for graphic arts
18 production. Equipment includes chemicals or chemicals
19 acting as catalysts but only if the chemicals or chemicals
20 acting as catalysts effect a direct and immediate change
21 upon a graphic arts product. Beginning on July 1, 2017,
22 graphic arts machinery and equipment is included in the
23 manufacturing and assembling machinery and equipment
24 exemption under paragraph (14).

25 (5) A motor vehicle that is used for automobile
26 renting, as defined in the Automobile Renting Occupation

1 and Use Tax Act. This paragraph is exempt from the
2 provisions of Section 2-70.

3 (6) Personal property sold by a teacher-sponsored
4 student organization affiliated with an elementary or
5 secondary school located in Illinois.

6 (7) Until July 1, 2003, proceeds of that portion of
7 the selling price of a passenger car the sale of which is
8 subject to the Replacement Vehicle Tax.

9 (8) Personal property sold to an Illinois county fair
10 association for use in conducting, operating, or promoting
11 the county fair.

12 (9) Personal property sold to a not-for-profit arts or
13 cultural organization that establishes, by proof required
14 by the Department by rule, that it has received an
15 exemption under Section 501(c)(3) of the Internal Revenue
16 Code and that is organized and operated primarily for the
17 presentation or support of arts or cultural programming,
18 activities, or services. These organizations include, but
19 are not limited to, music and dramatic arts organizations
20 such as symphony orchestras and theatrical groups, arts
21 and cultural service organizations, local arts councils,
22 visual arts organizations, and media arts organizations.
23 On and after July 1, 2001 (the effective date of Public Act
24 92-35), however, an entity otherwise eligible for this
25 exemption shall not make tax-free purchases unless it has
26 an active identification number issued by the Department.

1 (10) Personal property sold by a corporation, society,
2 association, foundation, institution, or organization,
3 other than a limited liability company, that is organized
4 and operated as a not-for-profit service enterprise for
5 the benefit of persons 65 years of age or older if the
6 personal property was not purchased by the enterprise for
7 the purpose of resale by the enterprise.

8 (11) Except as otherwise provided in this Section,
9 personal property sold to a governmental body, to a
10 corporation, society, association, foundation, or
11 institution organized and operated exclusively for
12 charitable, religious, or educational purposes, or to a
13 not-for-profit corporation, society, association,
14 foundation, institution, or organization that has no
15 compensated officers or employees and that is organized
16 and operated primarily for the recreation of persons 55
17 years of age or older. A limited liability company may
18 qualify for the exemption under this paragraph only if the
19 limited liability company is organized and operated
20 exclusively for educational purposes. On and after July 1,
21 1987, however, no entity otherwise eligible for this
22 exemption shall make tax-free purchases unless it has an
23 active identification number issued by the Department.

24 (12) (Blank).

25 (12-5) On and after July 1, 2003 and through June 30,
26 2004, motor vehicles of the second division with a gross

1 vehicle weight in excess of 8,000 pounds that are subject
2 to the commercial distribution fee imposed under Section
3 3-815.1 of the Illinois Vehicle Code. Beginning on July 1,
4 2004 and through June 30, 2005, the use in this State of
5 motor vehicles of the second division: (i) with a gross
6 vehicle weight rating in excess of 8,000 pounds; (ii) that
7 are subject to the commercial distribution fee imposed
8 under Section 3-815.1 of the Illinois Vehicle Code; and
9 (iii) that are primarily used for commercial purposes.
10 Through June 30, 2005, this exemption applies to repair
11 and replacement parts added after the initial purchase of
12 such a motor vehicle if that motor vehicle is used in a
13 manner that would qualify for the rolling stock exemption
14 otherwise provided for in this Act. For purposes of this
15 paragraph, "used for commercial purposes" means the
16 transportation of persons or property in furtherance of
17 any commercial or industrial enterprise whether for-hire
18 or not.

19 (13) Proceeds from sales to owners, lessors, or
20 shippers of tangible personal property that is utilized by
21 interstate carriers for hire for use as rolling stock
22 moving in interstate commerce and equipment operated by a
23 telecommunications provider, licensed as a common carrier
24 by the Federal Communications Commission, which is
25 permanently installed in or affixed to aircraft moving in
26 interstate commerce.

1 (14) Machinery and equipment that will be used by the
2 purchaser, or a lessee of the purchaser, primarily in the
3 process of manufacturing or assembling tangible personal
4 property for wholesale or retail sale or lease, whether
5 the sale or lease is made directly by the manufacturer or
6 by some other person, whether the materials used in the
7 process are owned by the manufacturer or some other
8 person, or whether the sale or lease is made apart from or
9 as an incident to the seller's engaging in the service
10 occupation of producing machines, tools, dies, jigs,
11 patterns, gauges, or other similar items of no commercial
12 value on special order for a particular purchaser. The
13 exemption provided by this paragraph (14) does not include
14 machinery and equipment used in (i) the generation of
15 electricity for wholesale or retail sale; (ii) the
16 generation or treatment of natural or artificial gas for
17 wholesale or retail sale that is delivered to customers
18 through pipes, pipelines, or mains; or (iii) the treatment
19 of water for wholesale or retail sale that is delivered to
20 customers through pipes, pipelines, or mains. The
21 provisions of Public Act 98-583 are declaratory of
22 existing law as to the meaning and scope of this
23 exemption. Beginning on July 1, 2017, the exemption
24 provided by this paragraph (14) includes, but is not
25 limited to, graphic arts machinery and equipment, as
26 defined in paragraph (4) of this Section.

1 (15) Proceeds of mandatory service charges separately
2 stated on customers' bills for purchase and consumption of
3 food and beverages, to the extent that the proceeds of the
4 service charge are in fact turned over as tips or as a
5 substitute for tips to the employees who participate
6 directly in preparing, serving, hosting or cleaning up the
7 food or beverage function with respect to which the
8 service charge is imposed.

9 (16) Tangible personal property sold to a purchaser if
10 the purchaser is exempt from use tax by operation of
11 federal law. This paragraph is exempt from the provisions
12 of Section 2-70.

13 (17) Tangible personal property sold to a common
14 carrier by rail or motor that receives the physical
15 possession of the property in Illinois and that transports
16 the property, or shares with another common carrier in the
17 transportation of the property, out of Illinois on a
18 standard uniform bill of lading showing the seller of the
19 property as the shipper or consignor of the property to a
20 destination outside Illinois, for use outside Illinois.

21 (18) Legal tender, currency, medallions, or gold or
22 silver coinage issued by the State of Illinois, the
23 government of the United States of America, or the
24 government of any foreign country, and bullion.

25 (19) Until July 1, 2003, oil field exploration,
26 drilling, and production equipment, including (i) rigs and

1 parts of rigs, rotary rigs, cable tool rigs, and workover
2 rigs, (ii) pipe and tubular goods, including casing and
3 drill strings, (iii) pumps and pump-jack units, (iv)
4 storage tanks and flow lines, (v) any individual
5 replacement part for oil field exploration, drilling, and
6 production equipment, and (vi) machinery and equipment
7 purchased for lease; but excluding motor vehicles required
8 to be registered under the Illinois Vehicle Code.

9 (20) Photoprocessing machinery and equipment,
10 including repair and replacement parts, both new and used,
11 including that manufactured on special order, certified by
12 the purchaser to be used primarily for photoprocessing,
13 and including photoprocessing machinery and equipment
14 purchased for lease.

15 (21) Until July 1, 2028, coal and aggregate
16 exploration, mining, off-highway hauling, processing,
17 maintenance, and reclamation equipment, including
18 replacement parts and equipment, and including equipment
19 purchased for lease, but excluding motor vehicles required
20 to be registered under the Illinois Vehicle Code. The
21 changes made to this Section by Public Act 97-767 apply on
22 and after July 1, 2003, but no claim for credit or refund
23 is allowed on or after August 16, 2013 (the effective date
24 of Public Act 98-456) for such taxes paid during the
25 period beginning July 1, 2003 and ending on August 16,
26 2013 (the effective date of Public Act 98-456).

1 (22) Until June 30, 2013, fuel and petroleum products
2 sold to or used by an air carrier, certified by the carrier
3 to be used for consumption, shipment, or storage in the
4 conduct of its business as an air common carrier, for a
5 flight destined for or returning from a location or
6 locations outside the United States without regard to
7 previous or subsequent domestic stopovers.

8 Beginning July 1, 2013, fuel and petroleum products
9 sold to or used by an air carrier, certified by the carrier
10 to be used for consumption, shipment, or storage in the
11 conduct of its business as an air common carrier, for a
12 flight that (i) is engaged in foreign trade or is engaged
13 in trade between the United States and any of its
14 possessions and (ii) transports at least one individual or
15 package for hire from the city of origination to the city
16 of final destination on the same aircraft, without regard
17 to a change in the flight number of that aircraft.

18 (23) A transaction in which the purchase order is
19 received by a florist who is located outside Illinois, but
20 who has a florist located in Illinois deliver the property
21 to the purchaser or the purchaser's donee in Illinois.

22 (24) Fuel consumed or used in the operation of ships,
23 barges, or vessels that are used primarily in or for the
24 transportation of property or the conveyance of persons
25 for hire on rivers bordering on this State if the fuel is
26 delivered by the seller to the purchaser's barge, ship, or

1 vessel while it is afloat upon that bordering river.

2 (25) Except as provided in item (25-5) of this
3 Section, a motor vehicle sold in this State to a
4 nonresident even though the motor vehicle is delivered to
5 the nonresident in this State, if the motor vehicle is not
6 to be titled in this State, and if a drive-away permit is
7 issued to the motor vehicle as provided in Section 3-603
8 of the Illinois Vehicle Code or if the nonresident
9 purchaser has vehicle registration plates to transfer to
10 the motor vehicle upon returning to his or her home state.
11 The issuance of the drive-away permit or having the
12 out-of-state registration plates to be transferred is
13 prima facie evidence that the motor vehicle will not be
14 titled in this State.

15 (25-5) The exemption under item (25) does not apply if
16 the state in which the motor vehicle will be titled does
17 not allow a reciprocal exemption for a motor vehicle sold
18 and delivered in that state to an Illinois resident but
19 titled in Illinois. The tax collected under this Act on
20 the sale of a motor vehicle in this State to a resident of
21 another state that does not allow a reciprocal exemption
22 shall be imposed at a rate equal to the state's rate of tax
23 on taxable property in the state in which the purchaser is
24 a resident, except that the tax shall not exceed the tax
25 that would otherwise be imposed under this Act. At the
26 time of the sale, the purchaser shall execute a statement,

1 signed under penalty of perjury, of his or her intent to
2 title the vehicle in the state in which the purchaser is a
3 resident within 30 days after the sale and of the fact of
4 the payment to the State of Illinois of tax in an amount
5 equivalent to the state's rate of tax on taxable property
6 in his or her state of residence and shall submit the
7 statement to the appropriate tax collection agency in his
8 or her state of residence. In addition, the retailer must
9 retain a signed copy of the statement in his or her
10 records. Nothing in this item shall be construed to
11 require the removal of the vehicle from this state
12 following the filing of an intent to title the vehicle in
13 the purchaser's state of residence if the purchaser titles
14 the vehicle in his or her state of residence within 30 days
15 after the date of sale. The tax collected under this Act in
16 accordance with this item (25-5) shall be proportionately
17 distributed as if the tax were collected at the 6.25%
18 general rate imposed under this Act.

19 (25-7) Beginning on July 1, 2007, no tax is imposed
20 under this Act on the sale of an aircraft, as defined in
21 Section 3 of the Illinois Aeronautics Act, if all of the
22 following conditions are met:

23 (1) the aircraft leaves this State within 15 days
24 after the later of either the issuance of the final
25 billing for the sale of the aircraft, or the
26 authorized approval for return to service, completion

1 of the maintenance record entry, and completion of the
2 test flight and ground test for inspection, as
3 required by 14 CFR 91.407;

4 (2) the aircraft is not based or registered in
5 this State after the sale of the aircraft; and

6 (3) the seller retains in his or her books and
7 records and provides to the Department a signed and
8 dated certification from the purchaser, on a form
9 prescribed by the Department, certifying that the
10 requirements of this item (25-7) are met. The
11 certificate must also include the name and address of
12 the purchaser, the address of the location where the
13 aircraft is to be titled or registered, the address of
14 the primary physical location of the aircraft, and
15 other information that the Department may reasonably
16 require.

17 For purposes of this item (25-7):

18 "Based in this State" means hangared, stored, or
19 otherwise used, excluding post-sale customizations as
20 defined in this Section, for 10 or more days in each
21 12-month period immediately following the date of the sale
22 of the aircraft.

23 "Registered in this State" means an aircraft
24 registered with the Department of Transportation,
25 Aeronautics Division, or titled or registered with the
26 Federal Aviation Administration to an address located in

1 this State.

2 This paragraph (25-7) is exempt from the provisions of
3 Section 2-70.

4 (26) Semen used for artificial insemination of
5 livestock for direct agricultural production.

6 (27) Horses, or interests in horses, registered with
7 and meeting the requirements of any of the Arabian Horse
8 Club Registry of America, Appaloosa Horse Club, American
9 Quarter Horse Association, United States Trotting
10 Association, or Jockey Club, as appropriate, used for
11 purposes of breeding or racing for prizes. This item (27)
12 is exempt from the provisions of Section 2-70, and the
13 exemption provided for under this item (27) applies for
14 all periods beginning May 30, 1995, but no claim for
15 credit or refund is allowed on or after January 1, 2008
16 (the effective date of Public Act 95-88) for such taxes
17 paid during the period beginning May 30, 2000 and ending
18 on January 1, 2008 (the effective date of Public Act
19 95-88).

20 (28) Computers and communications equipment utilized
21 for any hospital purpose and equipment used in the
22 diagnosis, analysis, or treatment of hospital patients
23 sold to a lessor who leases the equipment, under a lease of
24 one year or longer executed or in effect at the time of the
25 purchase, to a hospital that has been issued an active tax
26 exemption identification number by the Department under

1 Section 1g of this Act.

2 (29) Personal property sold to a lessor who leases the
3 property, under a lease of one year or longer executed or
4 in effect at the time of the purchase, to a governmental
5 body that has been issued an active tax exemption
6 identification number by the Department under Section 1g
7 of this Act.

8 (30) Beginning with taxable years ending on or after
9 December 31, 1995 and ending with taxable years ending on
10 or before December 31, 2004, personal property that is
11 donated for disaster relief to be used in a State or
12 federally declared disaster area in Illinois or bordering
13 Illinois by a manufacturer or retailer that is registered
14 in this State to a corporation, society, association,
15 foundation, or institution that has been issued a sales
16 tax exemption identification number by the Department that
17 assists victims of the disaster who reside within the
18 declared disaster area.

19 (31) Beginning with taxable years ending on or after
20 December 31, 1995 and ending with taxable years ending on
21 or before December 31, 2004, personal property that is
22 used in the performance of infrastructure repairs in this
23 State, including, but not limited to, municipal roads and
24 streets, access roads, bridges, sidewalks, waste disposal
25 systems, water and sewer line extensions, water
26 distribution and purification facilities, storm water

1 drainage and retention facilities, and sewage treatment
2 facilities, resulting from a State or federally declared
3 disaster in Illinois or bordering Illinois when such
4 repairs are initiated on facilities located in the
5 declared disaster area within 6 months after the disaster.

6 (32) Beginning July 1, 1999, game or game birds sold
7 at a "game breeding and hunting preserve area" as that
8 term is used in the Wildlife Code. This paragraph is
9 exempt from the provisions of Section 2-70.

10 (33) A motor vehicle, as that term is defined in
11 Section 1-146 of the Illinois Vehicle Code, that is
12 donated to a corporation, limited liability company,
13 society, association, foundation, or institution that is
14 determined by the Department to be organized and operated
15 exclusively for educational purposes. For purposes of this
16 exemption, "a corporation, limited liability company,
17 society, association, foundation, or institution organized
18 and operated exclusively for educational purposes" means
19 all tax-supported public schools, private schools that
20 offer systematic instruction in useful branches of
21 learning by methods common to public schools and that
22 compare favorably in their scope and intensity with the
23 course of study presented in tax-supported schools, and
24 vocational or technical schools or institutes organized
25 and operated exclusively to provide a course of study of
26 not less than 6 weeks duration and designed to prepare

1 individuals to follow a trade or to pursue a manual,
2 technical, mechanical, industrial, business, or commercial
3 occupation.

4 (34) Beginning January 1, 2000, personal property,
5 including food, purchased through fundraising events for
6 the benefit of a public or private elementary or secondary
7 school, a group of those schools, or one or more school
8 districts if the events are sponsored by an entity
9 recognized by the school district that consists primarily
10 of volunteers and includes parents and teachers of the
11 school children. This paragraph does not apply to
12 fundraising events (i) for the benefit of private home
13 instruction or (ii) for which the fundraising entity
14 purchases the personal property sold at the events from
15 another individual or entity that sold the property for
16 the purpose of resale by the fundraising entity and that
17 profits from the sale to the fundraising entity. This
18 paragraph is exempt from the provisions of Section 2-70.

19 (35) Beginning January 1, 2000 and through December
20 31, 2001, new or used automatic vending machines that
21 prepare and serve hot food and beverages, including
22 coffee, soup, and other items, and replacement parts for
23 these machines. Beginning January 1, 2002 and through June
24 30, 2003, machines and parts for machines used in
25 commercial, coin-operated amusement and vending business
26 if a use or occupation tax is paid on the gross receipts

1 derived from the use of the commercial, coin-operated
2 amusement and vending machines. This paragraph is exempt
3 from the provisions of Section 2-70.

4 (35-5) Beginning August 23, 2001 and through June 30,
5 2016, food for human consumption that is to be consumed
6 off the premises where it is sold (other than alcoholic
7 beverages, soft drinks, and food that has been prepared
8 for immediate consumption) and prescription and
9 nonprescription medicines, drugs, medical appliances, and
10 insulin, urine testing materials, syringes, and needles
11 used by diabetics, for human use, when purchased for use
12 by a person receiving medical assistance under Article V
13 of the Illinois Public Aid Code who resides in a licensed
14 long-term care facility, as defined in the Nursing Home
15 Care Act, or a licensed facility as defined in the ID/DD
16 Community Care Act, the MC/DD Act, or the Specialized
17 Mental Health Rehabilitation Act of 2013.

18 (36) Beginning August 2, 2001, computers and
19 communications equipment utilized for any hospital purpose
20 and equipment used in the diagnosis, analysis, or
21 treatment of hospital patients sold to a lessor who leases
22 the equipment, under a lease of one year or longer
23 executed or in effect at the time of the purchase, to a
24 hospital that has been issued an active tax exemption
25 identification number by the Department under Section 1g
26 of this Act. This paragraph is exempt from the provisions

1 of Section 2-70.

2 (37) Beginning August 2, 2001, personal property sold
3 to a lessor who leases the property, under a lease of one
4 year or longer executed or in effect at the time of the
5 purchase, to a governmental body that has been issued an
6 active tax exemption identification number by the
7 Department under Section 1g of this Act. This paragraph is
8 exempt from the provisions of Section 2-70.

9 (38) Beginning on January 1, 2002 and through June 30,
10 2016, tangible personal property purchased from an
11 Illinois retailer by a taxpayer engaged in centralized
12 purchasing activities in Illinois who will, upon receipt
13 of the property in Illinois, temporarily store the
14 property in Illinois (i) for the purpose of subsequently
15 transporting it outside this State for use or consumption
16 thereafter solely outside this State or (ii) for the
17 purpose of being processed, fabricated, or manufactured
18 into, attached to, or incorporated into other tangible
19 personal property to be transported outside this State and
20 thereafter used or consumed solely outside this State. The
21 Director of Revenue shall, pursuant to rules adopted in
22 accordance with the Illinois Administrative Procedure Act,
23 issue a permit to any taxpayer in good standing with the
24 Department who is eligible for the exemption under this
25 paragraph (38). The permit issued under this paragraph
26 (38) shall authorize the holder, to the extent and in the

1 manner specified in the rules adopted under this Act, to
2 purchase tangible personal property from a retailer exempt
3 from the taxes imposed by this Act. Taxpayers shall
4 maintain all necessary books and records to substantiate
5 the use and consumption of all such tangible personal
6 property outside of the State of Illinois.

7 (39) Beginning January 1, 2008, tangible personal
8 property used in the construction or maintenance of a
9 community water supply, as defined under Section 3.145 of
10 the Environmental Protection Act, that is operated by a
11 not-for-profit corporation that holds a valid water supply
12 permit issued under Title IV of the Environmental
13 Protection Act. This paragraph is exempt from the
14 provisions of Section 2-70.

15 (40) Beginning January 1, 2010 and continuing through
16 December 31, 2029, materials, parts, equipment,
17 components, and furnishings incorporated into or upon an
18 aircraft as part of the modification, refurbishment,
19 completion, replacement, repair, or maintenance of the
20 aircraft. This exemption includes consumable supplies used
21 in the modification, refurbishment, completion,
22 replacement, repair, and maintenance of aircraft. However,
23 until January 1, 2024, this exemption excludes any
24 materials, parts, equipment, components, and consumable
25 supplies used in the modification, replacement, repair,
26 and maintenance of aircraft engines or power plants,

1 whether such engines or power plants are installed or
2 uninstalled upon any such aircraft. "Consumable supplies"
3 include, but are not limited to, adhesive, tape,
4 sandpaper, general purpose lubricants, cleaning solution,
5 latex gloves, and protective films.

6 Beginning January 1, 2010 and continuing through
7 December 31, 2023, this exemption applies only to the sale
8 of qualifying tangible personal property to persons who
9 modify, refurbish, complete, replace, or maintain an
10 aircraft and who (i) hold an Air Agency Certificate and
11 are empowered to operate an approved repair station by the
12 Federal Aviation Administration, (ii) have a Class IV
13 Rating, and (iii) conduct operations in accordance with
14 Part 145 of the Federal Aviation Regulations. The
15 exemption does not include aircraft operated by a
16 commercial air carrier providing scheduled passenger air
17 service pursuant to authority issued under Part 121 or
18 Part 129 of the Federal Aviation Regulations. From January
19 1, 2024 through December 31, 2029, this exemption applies
20 only to the use of qualifying tangible personal property
21 by: (A) persons who modify, refurbish, complete, repair,
22 replace, or maintain aircraft and who (i) hold an Air
23 Agency Certificate and are empowered to operate an
24 approved repair station by the Federal Aviation
25 Administration, (ii) have a Class IV Rating, and (iii)
26 conduct operations in accordance with Part 145 of the

1 Federal Aviation Regulations; and (B) persons who engage
2 in the modification, replacement, repair, and maintenance
3 of aircraft engines or power plants without regard to
4 whether or not those persons meet the qualifications of
5 item (A).

6 The changes made to this paragraph (40) by Public Act
7 98-534 are declarative of existing law. It is the intent
8 of the General Assembly that the exemption under this
9 paragraph (40) applies continuously from January 1, 2010
10 through December 31, 2024; however, no claim for credit or
11 refund is allowed for taxes paid as a result of the
12 disallowance of this exemption on or after January 1, 2015
13 and prior to February 5, 2020 (the effective date of
14 Public Act 101-629).

15 (41) Tangible personal property sold to a
16 public-facilities corporation, as described in Section
17 11-65-10 of the Illinois Municipal Code, for purposes of
18 constructing or furnishing a municipal convention hall,
19 but only if the legal title to the municipal convention
20 hall is transferred to the municipality without any
21 further consideration by or on behalf of the municipality
22 at the time of the completion of the municipal convention
23 hall or upon the retirement or redemption of any bonds or
24 other debt instruments issued by the public-facilities
25 corporation in connection with the development of the
26 municipal convention hall. This exemption includes

1 existing public-facilities corporations as provided in
2 Section 11-65-25 of the Illinois Municipal Code. This
3 paragraph is exempt from the provisions of Section 2-70.

4 (42) Beginning January 1, 2017 and through December
5 31, 2026, menstrual pads, tampons, and menstrual cups.

6 (43) Merchandise that is subject to the Rental
7 Purchase Agreement Occupation and Use Tax. The purchaser
8 must certify that the item is purchased to be rented
9 subject to a rental-purchase ~~rental-purchase~~ agreement, as
10 defined in the Rental-Purchase ~~Rental-Purchase~~ Agreement
11 Act, and provide proof of registration under the Rental
12 Purchase Agreement Occupation and Use Tax Act. This
13 paragraph is exempt from the provisions of Section 2-70.

14 (44) Qualified tangible personal property used in the
15 construction or operation of a data center that has been
16 granted a certificate of exemption by the Department of
17 Commerce and Economic Opportunity, whether that tangible
18 personal property is purchased by the owner, operator, or
19 tenant of the data center or by a contractor or
20 subcontractor of the owner, operator, or tenant. Data
21 centers that would have qualified for a certificate of
22 exemption prior to January 1, 2020 had Public Act 101-31
23 been in effect, may apply for and obtain an exemption for
24 subsequent purchases of computer equipment or enabling
25 software purchased or leased to upgrade, supplement, or
26 replace computer equipment or enabling software purchased

1 or leased in the original investment that would have
2 qualified.

3 The Department of Commerce and Economic Opportunity
4 shall grant a certificate of exemption under this item
5 (44) to qualified data centers as defined by Section
6 605-1025 of the Department of Commerce and Economic
7 Opportunity Law of the Civil Administrative Code of
8 Illinois.

9 For the purposes of this item (44):

10 "Data center" means a building or a series of
11 buildings rehabilitated or constructed to house
12 working servers in one physical location or multiple
13 sites within the State of Illinois.

14 "Qualified tangible personal property" means:
15 electrical systems and equipment; climate control and
16 chilling equipment and systems; mechanical systems and
17 equipment; monitoring and secure systems; emergency
18 generators; hardware; computers; servers; data storage
19 devices; network connectivity equipment; racks;
20 cabinets; telecommunications cabling infrastructure;
21 raised floor systems; peripheral components or
22 systems; software; mechanical, electrical, or plumbing
23 systems; battery systems; cooling systems and towers;
24 temperature control systems; other cabling; and other
25 data center infrastructure equipment and systems
26 necessary to operate qualified tangible personal

1 property, including fixtures; and component parts of
2 any of the foregoing, including installation,
3 maintenance, repair, refurbishment, and replacement of
4 qualified tangible personal property to generate,
5 transform, transmit, distribute, or manage electricity
6 necessary to operate qualified tangible personal
7 property; and all other tangible personal property
8 that is essential to the operations of a computer data
9 center. The term "qualified tangible personal
10 property" also includes building materials physically
11 incorporated into the qualifying data center. To
12 document the exemption allowed under this Section, the
13 retailer must obtain from the purchaser a copy of the
14 certificate of eligibility issued by the Department of
15 Commerce and Economic Opportunity.

16 This item (44) is exempt from the provisions of
17 Section 2-70.

18 (45) Beginning January 1, 2020 and through December
19 31, 2020, sales of tangible personal property made by a
20 marketplace seller over a marketplace for which tax is due
21 under this Act but for which use tax has been collected and
22 remitted to the Department by a marketplace facilitator
23 under Section 2d of the Use Tax Act are exempt from tax
24 under this Act. A marketplace seller claiming this
25 exemption shall maintain books and records demonstrating
26 that the use tax on such sales has been collected and

1 remitted by a marketplace facilitator. Marketplace sellers
2 that have properly remitted tax under this Act on such
3 sales may file a claim for credit as provided in Section 6
4 of this Act. No claim is allowed, however, for such taxes
5 for which a credit or refund has been issued to the
6 marketplace facilitator under the Use Tax Act, or for
7 which the marketplace facilitator has filed a claim for
8 credit or refund under the Use Tax Act.

9 (46) Beginning July 1, 2022, breast pumps, breast pump
10 collection and storage supplies, and breast pump kits.
11 This item (46) is exempt from the provisions of Section
12 2-70. As used in this item (46):

13 "Breast pump" means an electrically controlled or
14 manually controlled pump device designed or marketed to be
15 used to express milk from a human breast during lactation,
16 including the pump device and any battery, AC adapter, or
17 other power supply unit that is used to power the pump
18 device and is packaged and sold with the pump device at the
19 time of sale.

20 "Breast pump collection and storage supplies" means
21 items of tangible personal property designed or marketed
22 to be used in conjunction with a breast pump to collect
23 milk expressed from a human breast and to store collected
24 milk until it is ready for consumption.

25 "Breast pump collection and storage supplies"
26 includes, but is not limited to: breast shields and breast

1 shield connectors; breast pump tubes and tubing adapters;
2 breast pump valves and membranes; backflow protectors and
3 backflow protector adaptors; bottles and bottle caps
4 specific to the operation of the breast pump; and breast
5 milk storage bags.

6 "Breast pump collection and storage supplies" does not
7 include: (1) bottles and bottle caps not specific to the
8 operation of the breast pump; (2) breast pump travel bags
9 and other similar carrying accessories, including ice
10 packs, labels, and other similar products; (3) breast pump
11 cleaning supplies; (4) nursing bras, bra pads, breast
12 shells, and other similar products; and (5) creams,
13 ointments, and other similar products that relieve
14 breastfeeding-related symptoms or conditions of the
15 breasts or nipples, unless sold as part of a breast pump
16 kit that is pre-packaged by the breast pump manufacturer
17 or distributor.

18 "Breast pump kit" means a kit that: (1) contains no
19 more than a breast pump, breast pump collection and
20 storage supplies, a rechargeable battery for operating the
21 breast pump, a breastmilk cooler, bottle stands, ice
22 packs, and a breast pump carrying case; and (2) is
23 pre-packaged as a breast pump kit by the breast pump
24 manufacturer or distributor.

25 (47) Tangible personal property sold by or on behalf
26 of the State Treasurer pursuant to the Revised Uniform

1 Unclaimed Property Act. This item (47) is exempt from the
2 provisions of Section 2-70.

3 (48) Beginning on January 1, 2024, tangible personal
4 property purchased by an active duty member of the armed
5 forces of the United States who presents valid military
6 identification and purchases the property using a form of
7 payment where the federal government is the payor. The
8 member of the armed forces must complete, at the point of
9 sale, a form prescribed by the Department of Revenue
10 documenting that the transaction is eligible for the
11 exemption under this paragraph. Retailers must keep the
12 form as documentation of the exemption in their records
13 for a period of not less than 6 years. "Armed forces of the
14 United States" means the United States Army, Navy, Air
15 Force, Marine Corps, or Coast Guard. This paragraph is
16 exempt from the provisions of Section 2-70.

17 (49) Beginning on July 1, 2024, food for human
18 consumption that is to be consumed off the premises where
19 it is sold (other than alcoholic beverages, food
20 consisting of or infused with adult use cannabis, soft
21 drinks, and food that has been prepared for immediate
22 consumption). This item (49) is exempt from the provisions
23 of Section 2-70.

24 (Source: P.A. 102-16, eff. 6-17-21; 102-634, eff. 8-27-21;
25 102-700, Article 70, Section 70-20, eff. 4-19-22; 102-700,
26 Article 75, Section 75-20, eff. 4-19-22; 102-813, eff.

1 5-13-22; 102-1026, eff. 5-27-22; 103-9, Article 5, Section
2 5-20, eff. 6-7-23; 103-9, Article 15, Section 15-20, eff.
3 6-7-23; 103-154, eff. 6-30-23; 103-384, eff. 1-1-24; revised
4 12-12-23.)

5 (35 ILCS 120/2-10)

6 Sec. 2-10. Rate of tax. Unless otherwise provided in this
7 Section, the tax imposed by this Act is at the rate of 6.25% of
8 gross receipts from sales of tangible personal property made
9 in the course of business.

10 Beginning on July 1, 2000 and through December 31, 2000,
11 with respect to motor fuel, as defined in Section 1.1 of the
12 Motor Fuel Tax Law, and gasohol, as defined in Section 3-40 of
13 the Use Tax Act, the tax is imposed at the rate of 1.25%.

14 Beginning 30 days after the effective date of this
15 amendatory Act of the 103rd General Assembly, with respect to:
16 motor fuel, as defined in Section 1.1 of the Motor Fuel Tax
17 Law; gasohol, as defined in Section 3-40 of the Use Tax Act;
18 majority blended ethanol fuel; and biodiesel and biodiesel
19 blends, the tax imposed under this Act may not exceed the cents
20 per gallon rate established by the Department under subsection
21 (e) of Section 2d of this Act. With respect to the tax imposed
22 on biodiesel blends and gasohol, the maximum cents per gallon
23 rate shall include the reduction allowed in subsection (e) of
24 Section 2d of the Retailers' Occupation Tax Act.

25 Beginning on August 6, 2010 through August 15, 2010, and

1 beginning again on August 5, 2022 through August 14, 2022,
2 with respect to sales tax holiday items as defined in Section
3 2-8 of this Act, the tax is imposed at the rate of 1.25%.

4 Within 14 days after July 1, 2000 (the effective date of
5 Public Act 91-872), each retailer of motor fuel and gasohol
6 shall cause the following notice to be posted in a prominently
7 visible place on each retail dispensing device that is used to
8 dispense motor fuel or gasohol in the State of Illinois: "As of
9 July 1, 2000, the State of Illinois has eliminated the State's
10 share of sales tax on motor fuel and gasohol through December
11 31, 2000. The price on this pump should reflect the
12 elimination of the tax." The notice shall be printed in bold
13 print on a sign that is no smaller than 4 inches by 8 inches.
14 The sign shall be clearly visible to customers. Any retailer
15 who fails to post or maintain a required sign through December
16 31, 2000 is guilty of a petty offense for which the fine shall
17 be \$500 per day per each retail premises where a violation
18 occurs.

19 With respect to gasohol, as defined in the Use Tax Act, the
20 tax imposed by this Act applies to (i) 70% of the proceeds of
21 sales made on or after January 1, 1990, and before July 1,
22 2003, (ii) 80% of the proceeds of sales made on or after July
23 1, 2003 and on or before July 1, 2017, (iii) 100% of the
24 proceeds of sales made after July 1, 2017 and prior to January
25 1, 2024, (iv) 90% of the proceeds of sales made on or after
26 January 1, 2024 and on or before December 31, 2028, and (v)

1 100% of the proceeds of sales made after December 31, 2028. If,
2 at any time, however, the tax under this Act on sales of
3 gasohol, as defined in the Use Tax Act, is imposed at the rate
4 of 1.25%, then the tax imposed by this Act applies to 100% of
5 the proceeds of sales of gasohol made during that time.

6 With respect to mid-range ethanol blends, as defined in
7 Section 3-44.3 of the Use Tax Act, the tax imposed by this Act
8 applies to (i) 80% of the proceeds of sales made on or after
9 January 1, 2024 and on or before December 31, 2028 and (ii)
10 100% of the proceeds of sales made after December 31, 2028. If,
11 at any time, however, the tax under this Act on sales of
12 mid-range ethanol blends is imposed at the rate of 1.25%, then
13 the tax imposed by this Act applies to 100% of the proceeds of
14 sales of mid-range ethanol blends made during that time.

15 With respect to majority blended ethanol fuel, as defined
16 in the Use Tax Act, the tax imposed by this Act does not apply
17 to the proceeds of sales made on or after July 1, 2003 and on
18 or before December 31, 2028 but applies to 100% of the proceeds
19 of sales made thereafter.

20 With respect to biodiesel blends, as defined in the Use
21 Tax Act, with no less than 1% and no more than 10% biodiesel,
22 the tax imposed by this Act applies to (i) 80% of the proceeds
23 of sales made on or after July 1, 2003 and on or before
24 December 31, 2018 and (ii) 100% of the proceeds of sales made
25 after December 31, 2018 and before January 1, 2024. On and
26 after January 1, 2024 and on or before December 31, 2030, the

1 taxation of biodiesel, renewable diesel, and biodiesel blends
2 shall be as provided in Section 3-5.1 of the Use Tax Act. If,
3 at any time, however, the tax under this Act on sales of
4 biodiesel blends, as defined in the Use Tax Act, with no less
5 than 1% and no more than 10% biodiesel is imposed at the rate
6 of 1.25%, then the tax imposed by this Act applies to 100% of
7 the proceeds of sales of biodiesel blends with no less than 1%
8 and no more than 10% biodiesel made during that time.

9 With respect to biodiesel, as defined in the Use Tax Act,
10 and biodiesel blends, as defined in the Use Tax Act, with more
11 than 10% but no more than 99% biodiesel, the tax imposed by
12 this Act does not apply to the proceeds of sales made on or
13 after July 1, 2003 and on or before December 31, 2023. On and
14 after January 1, 2024 and on or before December 31, 2030, the
15 taxation of biodiesel, renewable diesel, and biodiesel blends
16 shall be as provided in Section 3-5.1 of the Use Tax Act.

17 Until July 1, 2022 and ~~from beginning again on~~ July 1, 2023
18 through June 30, 2024, with respect to food for human
19 consumption that is to be consumed off the premises where it is
20 sold (other than alcoholic beverages, food consisting of or
21 infused with adult use cannabis, soft drinks, and food that
22 has been prepared for immediate consumption), the tax is
23 imposed at the rate of 1%. ~~From Beginning~~ July 1, 2022 through
24 ~~and until~~ July 1, 2023, and on and after July 1, 2024, ~~with~~
25 ~~respect to~~ food for human consumption that is to be consumed
26 off the premises where it is sold (other than alcoholic

1 beverages, food consisting of or infused with adult use
2 cannabis, soft drinks, and food that has been prepared for
3 immediate consumption) is exempt from the tax imposed by this
4 Act, ~~the tax is imposed at the rate of 0%.~~

5 With respect to prescription and nonprescription
6 medicines, drugs, medical appliances, products classified as
7 Class III medical devices by the United States Food and Drug
8 Administration that are used for cancer treatment pursuant to
9 a prescription, as well as any accessories and components
10 related to those devices, modifications to a motor vehicle for
11 the purpose of rendering it usable by a person with a
12 disability, and insulin, blood sugar testing materials,
13 syringes, and needles used by human diabetics, the tax is
14 imposed at the rate of 1%. For the purposes of this Section,
15 until September 1, 2009: the term "soft drinks" means any
16 complete, finished, ready-to-use, non-alcoholic drink, whether
17 carbonated or not, including, but not limited to, soda water,
18 cola, fruit juice, vegetable juice, carbonated water, and all
19 other preparations commonly known as soft drinks of whatever
20 kind or description that are contained in any closed or sealed
21 bottle, can, carton, or container, regardless of size; but
22 "soft drinks" does not include coffee, tea, non-carbonated
23 water, infant formula, milk or milk products as defined in the
24 Grade A Pasteurized Milk and Milk Products Act, or drinks
25 containing 50% or more natural fruit or vegetable juice.

26 Notwithstanding any other provisions of this Act,

1 beginning September 1, 2009, "soft drinks" means non-alcoholic
2 beverages that contain natural or artificial sweeteners. "Soft
3 drinks" does not include beverages that contain milk or milk
4 products, soy, rice or similar milk substitutes, or greater
5 than 50% of vegetable or fruit juice by volume.

6 Until August 1, 2009, and notwithstanding any other
7 provisions of this Act, "food for human consumption that is to
8 be consumed off the premises where it is sold" includes all
9 food sold through a vending machine, except soft drinks and
10 food products that are dispensed hot from a vending machine,
11 regardless of the location of the vending machine. Beginning
12 August 1, 2009, and notwithstanding any other provisions of
13 this Act, "food for human consumption that is to be consumed
14 off the premises where it is sold" includes all food sold
15 through a vending machine, except soft drinks, candy, and food
16 products that are dispensed hot from a vending machine,
17 regardless of the location of the vending machine.

18 Notwithstanding any other provisions of this Act,
19 beginning September 1, 2009, "food for human consumption that
20 is to be consumed off the premises where it is sold" does not
21 include candy. For purposes of this Section, "candy" means a
22 preparation of sugar, honey, or other natural or artificial
23 sweeteners in combination with chocolate, fruits, nuts or
24 other ingredients or flavorings in the form of bars, drops, or
25 pieces. "Candy" does not include any preparation that contains
26 flour or requires refrigeration.

1 Notwithstanding any other provisions of this Act,
2 beginning September 1, 2009, "nonprescription medicines and
3 drugs" does not include grooming and hygiene products. For
4 purposes of this Section, "grooming and hygiene products"
5 includes, but is not limited to, soaps and cleaning solutions,
6 shampoo, toothpaste, mouthwash, antiperspirants, and sun tan
7 lotions and screens, unless those products are available by
8 prescription only, regardless of whether the products meet the
9 definition of "over-the-counter-drugs". For the purposes of
10 this paragraph, "over-the-counter-drug" means a drug for human
11 use that contains a label that identifies the product as a drug
12 as required by 21 CFR 201.66. The "over-the-counter-drug"
13 label includes:

- 14 (A) a "Drug Facts" panel; or
15 (B) a statement of the "active ingredient(s)" with a
16 list of those ingredients contained in the compound,
17 substance or preparation.

18 Beginning on January 1, 2014 (the effective date of Public
19 Act 98-122), "prescription and nonprescription medicines and
20 drugs" includes medical cannabis purchased from a registered
21 dispensing organization under the Compassionate Use of Medical
22 Cannabis Program Act.

23 As used in this Section, "adult use cannabis" means
24 cannabis subject to tax under the Cannabis Cultivation
25 Privilege Tax Law and the Cannabis Purchaser Excise Tax Law
26 and does not include cannabis subject to tax under the

1 Compassionate Use of Medical Cannabis Program Act.

2 (Source: P.A. 102-4, eff. 4-27-21; 102-700, Article 20,
3 Section 20-20, eff. 4-19-22; 102-700, Article 60, Section
4 60-30, eff. 4-19-22; 102-700, Article 65, Section 65-10, eff.
5 4-19-22; 103-9, eff. 6-7-23; 103-154, eff. 6-30-23.)

6 (35 ILCS 120/2d) (from Ch. 120, par. 441d)

7 Sec. 2d. Tax prepayment by motor fuel retailer.

8 (a) Any person engaged in the business of selling motor
9 fuel at retail, as defined in the Motor Fuel Tax Law, and who
10 is not a licensed distributor or supplier, as defined in the
11 Motor Fuel Tax Law, shall prepay to his or her distributor,
12 supplier, or other reseller of motor fuel a portion of the tax
13 imposed by this Act if the distributor, supplier, or other
14 reseller of motor fuel is registered under Section 2a or
15 Section 2c of this Act. The prepayment requirement provided
16 for in this Section does not apply to liquid propane gas.

17 (b) Beginning on July 1, 2000 and through December 31,
18 2000, the Retailers' Occupation Tax paid to the distributor,
19 supplier, or other reseller shall be an amount equal to \$0.01
20 per gallon of the motor fuel, except gasohol as defined in
21 Section 2-10 of this Act which shall be an amount equal to
22 \$0.01 per gallon, purchased from the distributor, supplier, or
23 other reseller.

24 (c) Before July 1, 2000 and then beginning on January 1,
25 2001 and through June 30, 2003, the Retailers' Occupation Tax

1 paid to the distributor, supplier, or other reseller shall be
2 an amount equal to \$0.04 per gallon of the motor fuel, except
3 gasohol as defined in Section 2-10 of this Act which shall be
4 an amount equal to \$0.03 per gallon, purchased from the
5 distributor, supplier, or other reseller.

6 (d) Beginning July 1, 2003 and through December 31, 2010,
7 the Retailers' Occupation Tax paid to the distributor,
8 supplier, or other reseller shall be an amount equal to \$0.06
9 per gallon of the motor fuel, except gasohol as defined in
10 Section 2-10 of this Act which shall be an amount equal to
11 \$0.05 per gallon, purchased from the distributor, supplier, or
12 other reseller.

13 (e) Beginning on January 1, 2011 and thereafter, the
14 Retailers' Occupation Tax paid to the distributor, supplier,
15 or other reseller shall be at the rate established by the
16 Department under this subsection. The rate shall be
17 established by the Department on January 1 and July 1 of each
18 year using the average selling price, as defined in Section 1
19 of this Act, per gallon of motor fuel sold in the State during
20 the previous 6 months and multiplying that amount by 6.25% to
21 determine the cents per gallon rate. Beginning 30 days after
22 the effective date of this amendatory Act of the 103rd General
23 Assembly, the cents per gallon rate established by the
24 Department for motor fuel under this subsection may not exceed
25 \$0.18 per gallon. Beginning on January 1, 2024 and through
26 December 31, 2028, in the case of gasohol, as defined in

1 Section 3-40 of the Use Tax Act, the rate shall be 90% of the
2 rate established by the Department under this subsection for
3 motor fuel. Beginning on January 1, 2024 and through December
4 31, 2028, in the case of mid-range ethanol blends, as defined
5 in Section 3-44.3 of the Use Tax Act, the rate shall be 80% of
6 the rate established by the Department under this subsection
7 for motor fuel. The Department shall provide persons subject
8 to this Section notice of the rate established under this
9 subsection at least 20 days prior to each January 1 and July 1.
10 The Department shall provide persons subject to this Section
11 notice of the rate change required by this amendatory Act of
12 the 103rd General Assembly at least 20 days prior to the date
13 on which that change takes effect. Publication of the
14 established rate on the Department's internet website shall
15 constitute sufficient notice under this Section. The
16 Department may use data derived from independent surveys
17 conducted or accumulated by third parties to determine the
18 average selling price per gallon of motor fuel sold in the
19 State.

20 (f) Any person engaged in the business of selling motor
21 fuel at retail shall be entitled to a credit against tax due
22 under this Act in an amount equal to the tax paid to the
23 distributor, supplier, or other reseller.

24 (g) Every distributor, supplier, or other reseller
25 registered as provided in Section 2a or Section 2c of this Act
26 shall remit the prepaid tax on all motor fuel that is due from

1 any person engaged in the business of selling at retail motor
2 fuel with the returns filed under Section 2f or Section 3 of
3 this Act, but the vendors discount provided in Section 3 shall
4 not apply to the amount of prepaid tax that is remitted. Any
5 distributor or supplier who fails to properly collect and
6 remit the tax shall be liable for the tax. For purposes of this
7 Section, the prepaid tax is due on invoiced gallons sold
8 during a month by the 20th day of the following month.

9 (Source: P.A. 103-9, eff. 6-7-23.)

10 Section 99. Effective date. This Act takes effect upon
11 becoming law.